

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS AND MINING						FORM 3 AMENDED REPORT				
APPLICATION FOR PERMIT TO DRILL						1. WELL NAME and NUMBER SRW 823-10G GR				
2. TYPE OF WORK DRILL NEW WELL <input checked="" type="checkbox"/> REENTER P&A WELL <input type="checkbox"/> DEEPEN WELL <input type="checkbox"/>						3. FIELD OR WILDCAT NATURAL BUTTES				
4. TYPE OF WELL Oil Well Coalbed Methane Well: NO						5. UNIT or COMMUNITIZATION AGREEMENT NAME SOUTH RED WASH				
6. NAME OF OPERATOR KERR-MCGEE OIL & GAS ONSHORE, L.P.						7. OPERATOR PHONE 720 929-6515				
8. ADDRESS OF OPERATOR P.O. Box 173779, Denver, CO, 80217						9. OPERATOR E-MAIL julie.jacobson@anadarko.com				
10. MINERAL LEASE NUMBER (FEDERAL, INDIAN, OR STATE) UTU-071423			11. MINERAL OWNERSHIP FEDERAL <input checked="" type="checkbox"/> INDIAN <input type="checkbox"/> STATE <input type="checkbox"/> FEE <input type="checkbox"/>			12. SURFACE OWNERSHIP FEDERAL <input checked="" type="checkbox"/> INDIAN <input type="checkbox"/> STATE <input type="checkbox"/> FEE <input type="checkbox"/>				
13. NAME OF SURFACE OWNER (if box 12 = 'fee')						14. SURFACE OWNER PHONE (if box 12 = 'fee')				
15. ADDRESS OF SURFACE OWNER (if box 12 = 'fee')						16. SURFACE OWNER E-MAIL (if box 12 = 'fee')				
17. INDIAN ALLOTTEE OR TRIBE NAME (if box 12 = 'INDIAN')			18. INTEND TO COMMINGLE PRODUCTION FROM MULTIPLE FORMATIONS YES <input type="checkbox"/> (Submit Commingling Application) NO <input checked="" type="checkbox"/>			19. SLANT VERTICAL <input checked="" type="checkbox"/> DIRECTIONAL <input type="checkbox"/> HORIZONTAL <input type="checkbox"/>				
20. LOCATION OF WELL		FOOTAGES		QTR-QTR	SECTION	TOWNSHIP	RANGE	MERIDIAN		
LOCATION AT SURFACE		2015 FNL 1923 FEL		SWNE	10	8.0 S	23.0 E	S		
Top of Uppermost Producing Zone		2015 FNL 1923 FEL		SWNE	10	8.0 S	23.0 E	S		
At Total Depth		2015 FNL 1923 FEL		SWNE	10	8.0 S	23.0 E	S		
21. COUNTY UINTAH			22. DISTANCE TO NEAREST LEASE LINE (Feet) 604			23. NUMBER OF ACRES IN DRILLING UNIT 80				
			25. DISTANCE TO NEAREST WELL IN SAME POOL (Applied For Drilling or Completed) 2905			26. PROPOSED DEPTH MD: 5980 TVD: 5980				
27. ELEVATION - GROUND LEVEL 5418			28. BOND NUMBER WYB000291			29. SOURCE OF DRILLING WATER / WATER RIGHTS APPROVAL NUMBER IF APPLICABLE 43-8496				
Hole, Casing, and Cement Information										
String	Hole Size	Casing Size	Length	Weight	Grade & Thread	Max Mud Wt.	Cement	Sacks	Yield	Weight
SURF	11	8.625	0 - 4000	28.0	J-55 LT&C	0.2	Type V	180	1.15	15.8
							Class G	270	1.15	15.8
PROD	7.875	4.5	0 - 5980	11.6	HCP-110 LT&C	12.5	Premium Lite High Strength	240	3.38	12.0
							50/50 Poz	590	1.31	14.3
ATTACHMENTS										
VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES										
<input checked="" type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER					<input checked="" type="checkbox"/> COMPLETE DRILLING PLAN					
<input type="checkbox"/> AFFIDAVIT OF STATUS OF SURFACE OWNER AGREEMENT (IF FEE SURFACE)					<input type="checkbox"/> FORM 5. IF OPERATOR IS OTHER THAN THE LEASE OWNER					
<input type="checkbox"/> DIRECTIONAL SURVEY PLAN (IF DIRECTIONALLY OR HORIZONTALLY DRILLED)					<input checked="" type="checkbox"/> TOPOGRAPHICAL MAP					
NAME Cara Mahler				TITLE Regulatory Analyst I			PHONE 720 929-6029			
SIGNATURE				DATE 08/07/2013			EMAIL cara.mahler@anadarko.com			
API NUMBER ASSIGNED 43047539730000				APPROVAL Permit Manager						

Kerr-McGee Oil & Gas Onshore. L.P.**SRW 823-10G GR**

Surface:	2015 FNL / 1923 FEL	SWNE
BHL:	2015 FNL / 1923 FEL	SWNE

Section 10 T8S R23E

Unitah County, Utah
Mineral Lease: UTU-71423

ONSHORE ORDER NO. 1**DRILLING PROGRAM**

1. & 2. **Estimated Tops of Important Geologic Markers:**
Estimated Depths of Anticipated Water, Oil, Gas, or Mineral Formations:

<u>Formation</u>	<u>Depth</u>	<u>Resource</u>
Uinta	0 - Surface	
Green River	2,893'	
Birds Nest	3,186'	Water
Mahogany	3,547'	Water
Wasatch	5,880'	Gas
TD	5,980'	

3. **Pressure Control Equipment**

Please refer to the Standard Operating Practices on file with the BLM Vernal Field Office.

4. **Proposed Casing & Cementing Program:**

Please refer to the attached Drilling Program

5. **Drilling Fluids Program:**

Please refer to the attached Drilling Program

6. **Evaluation Program:**

Please refer to the attached Drilling Program

7. **Abnormal Conditions:**

Maximum anticipated bottom hole pressure calculated at 5980' TVD, approximately equals
2,512 psi (0.42 psi/ft = actual bottomhole gradient)

Maximum Anticipated Bottom Hole Pressure (MABHP) = Pore Pressure at TD

5/13/2013

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Maximum anticipated surface pressure equals approximately 1,199 psi (bottom hole pressure minus the pressure of a partially evacuated hole calculated at 0.22 psi/foot, per Onshore Order No. 2).

Per Onshore Order No. 2 - Max Anticipated Surf. Press.(MASP) = (Pore Pressure at next csg point - (0.22 psi/ft-partial evac gradient x TVD of next csg point))

8. **Anticipated Starting Dates:**

Drilling is planned to commence immediately upon approval of this application.

9. **Variances:**

Please refer to the Standard Operating Practices on file with the BLM Vernal Field Office.

10. **Other Information:**

Please refer to the attached Drilling Program.

5/13/2013

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COMPANY NAME	KERR-McGEE OIL & GAS ONSHORE LP					DATE	May 13, 2013		
WELL NAME	SRW 823-10G GR					TD	5,980'	TVD	5,980' MD
FIELD	Natural Buttes		COUNTY	Uintah	STATE	Utah	FINISHED ELEVATION		5,418'
SURFACE LOCATION	SWNE	2015 FNL	1923 FEL	Sec 10	T 8S	R 23E			
	Latitude: 40.138832		Longitude: -109.310678		NAD 83				
BTM HOLE LOCATION	SWNE	2015 FNL	1923 FEL	Sec 10	T 8S	R 23E			
	Latitude: 40.138832		Longitude: -109.310678		NAD 83				
OBJECTIVE ZONE(S)	GREEN RIVER								
ADDITIONAL INFO	Regulatory Agencies: BLM (Minerals), Ute Indian Tribe (Surface), UDOGM Tri-County Health Dept.								

SRW 823-10G GR- Drilling Program Approved by Drilling- 051313.xlsx

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KERR-McGEE OIL & GAS ONSHORE LP

DRILLING PROGRAM

CASING PROGRAM

	SIZE	INTERVAL	WT.	GR.	CPLG.	DESIGN FACTORS			
						BURST	COLLAPSE	LTC	DQX
								TENSION	
CONDUCTOR	14"	0-40'							
						3,390	1,880	348,000	N/A
SURFACE	8-5/8"	0 to 4,000	28.00	IJ-55	LTC	1.35	1.00	3.08	N/A
						7,780	6,350		267,035
PRODUCTION	4-1/2"	0 to 5,980	11.60	I-80	DQX	1.11	2.46		4.41

Surface Casing:

(Burst Assumptions: TD = 8.3 ppg) 0.73 psi/ft = frac gradient @ surface shoe

Fracture at surface shoe with 0.1 psi/ft gas gradient above

(Collapse Assumption: Fully Evacuated Casing, Max MW)

(Tension Assumptions: Air Weight of Casing*Buoy.Fact. of water)

Production casing:

(Burst Assumptions: Pressure test with 8.4ppg @ 7000 psi) 0.42 psi/ft = bottomhole gradient

(Collapse Assumption: Fully Evacuated Casing, Max MW) (Tension Assumptions: Air Weight of Casing*Buoy.Fact. of water)

CEMENT PROGRAM

		FT. OF FILL	DESCRIPTION	SACKS	EXCESS	WEIGHT	YIELD
SURFACE	LEAD	500'	Premium cmt + 2% CaCl + 0.25 pps flocele	180	60%	15.80	1.15
Option 1							
	TOP OUT CMT (6 jobs)	1,200'	20 gals sodium silicate + Premium cmt + 2% CaCl + 0.25 pps flocele	270	0%	15.80	1.15
SURFACE			NOTE: If well will circulate water to surface, option 2 will be utilized				
Option 2	LEAD	3,500'	65/35 Poz + 6% Gel + 10 pps gilsonite + 0.25 pps Flocele + 3% salt BWOW	320	35%	11.00	3.82
	TAIL	500'	Premium cmt + 2% CaCl + 0.25 pps flocele	150	35%	15.80	1.15
	TOP OUT CMT	as required	Premium cmt + 2% CaCl	as req.		15.80	1.15
PRODUCTION	LEAD	3,500'	Premium Lite II +0.25 pps celloflake + 5 pps gilsonite + 10% gel + 0.5% extender	240	35%	12.00	3.38
	TAIL	2,480'	50/50 Poz/G + 10% salt + 2% gel + 0.1% R-3	590	35%	14.30	1.31

*Substitute caliper hole volume plus 0% excess for LEAD if accurate caliper is obtained

*Substitute caliper hole volume plus 10% excess for TAIL if accurate caliper is obtained

FLOAT EQUIPMENT & CENTRALIZERS

SURFACE	Guide shoe, 1 jt, insert float. Centralize first 3 joints with bow spring centralizers. Thread lock guide shoe
PRODUCTION	Float shoe, 1 jt, float collar. A centralizer on the first 3 joints off bottom and every joint thereafter up to the 2nd joint within the surface shoe.

ADDITIONAL INFORMATION

Test casing head to 750 psi after installing. Test surface casing to 1,500 psi prior to drilling out.

BOPE: 11" 5M with one annular and 2 rams. The BOPE will be installed before the production hole is drilled and tested to 5,000 psi (annular to 2,500 psi) prior to drilling out the surface casing shoe. Record on chart recorder and tour sheet. Function test rams on each trip. Maintain safety valve and inside BOP on rig floor at all times. Most rigs have top drives; however, if used, the Kelly is to be equipped with upper and lower kelly valves.

Surveys will be taken at 1,000' minimum intervals.

Most rigs have PVT System for mud monitoring. If no PVT is available, visual monitoring will be utilized.

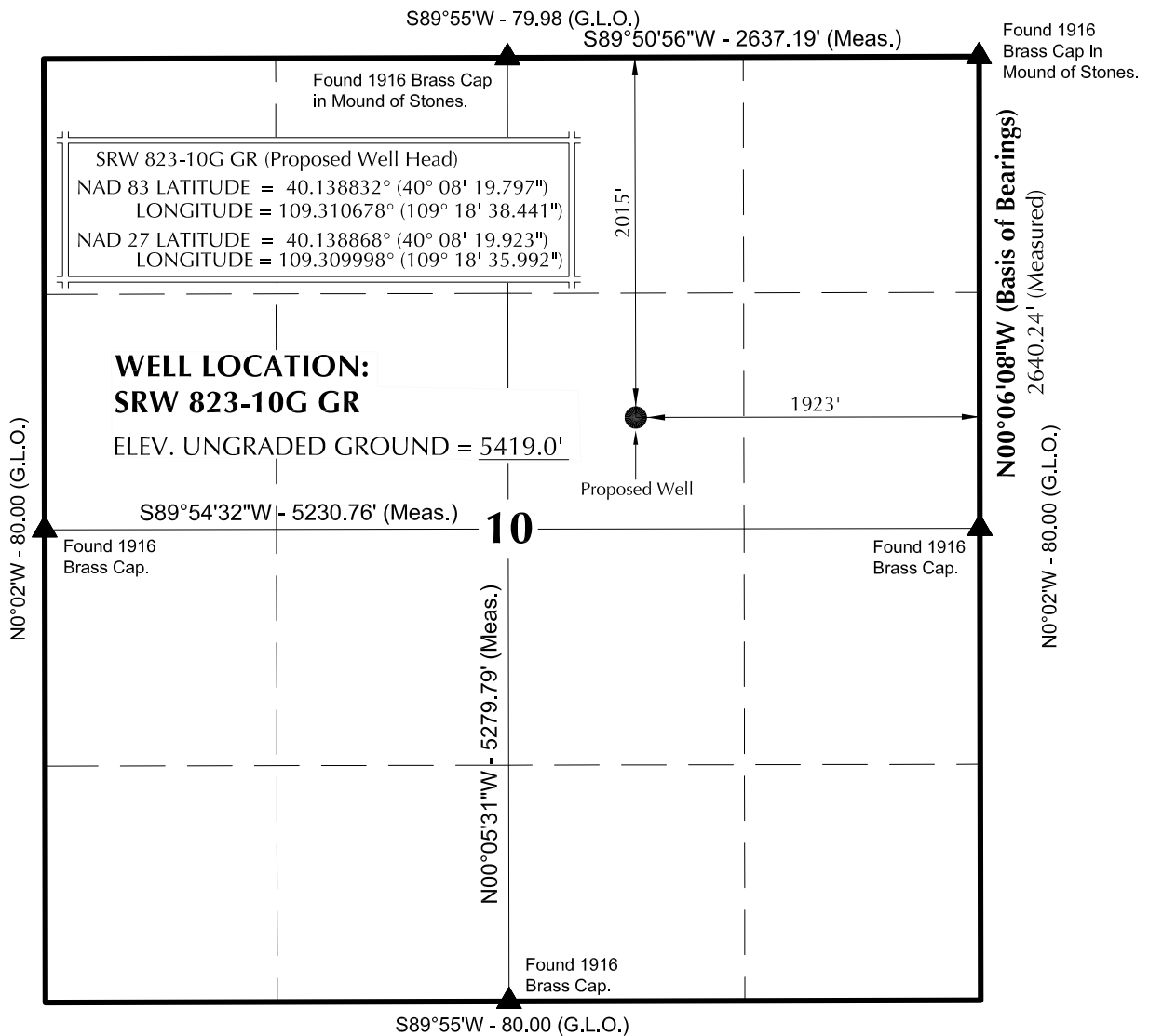
DRILLING ENGINEER:

Nick Spence / John Tuckwiller / Tyler Elliott / Brian Cocchiere

DATE:**DRILLING SUPERINTENDENT:**

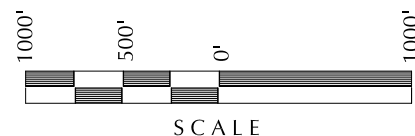
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DATE:

T8S, R23E, S.L.B.&M.**NOTES:**

▲ = Section Corners Located

- Well footages are measured at right angles to the Section Lines. G.L.O. distances are shown in feet or chains.
- 1 chain = 66 feet.
- NAD 83 Latitude & Longitude are (CORS 96)(EPOCH:2002).
- Bearings and Distances are based upon a Local Cartesian Grid, oriented to Geodetic North at the North 1/4 Corner of Section 8, T10S, R22E, S.L.B.&M. The Grid having a mean project height of 5300'. Lineal units used are U.S. Survey Foot.
- Basis of elevation is Tri-Sta "Two Water" located in Lot 4 of Section 1, T10S, R21E, S.L.B.&M. The elevation of this Tri-Sta is shown on the Big Pack Mtn NE 7.5 Min. Quadrangle as being 5238'.

**SURVEYOR'S CERTIFICATE**

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

PROFESSIONAL LAND SURVEYOR
 No. 6028691
JOHN R. SLAUGH
 STATE OF UTAH

Kerr-McGee Oil & Gas Onshore, LP
 1099 18th Street - Denver, Colorado 80202

WELL PAD - SRW 823-10G

SRW 823-10G GR
WELL PLAT
2015' FNL, 1923' FEL
SW 1/4 NE 1/4 OF SECTION 10, T8S, R23E,
S.L.B.&M., UTAH COUNTY, UTAH.



CONSULTING, LLC
 2155 North Main Street
 Sheridan, WY 82801
 Phone 307-674-0609
 Fax 307-674-0182

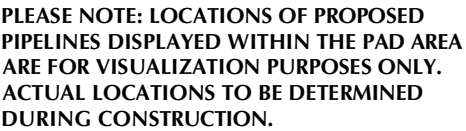
TIMBERLINE

(435) 789-1365

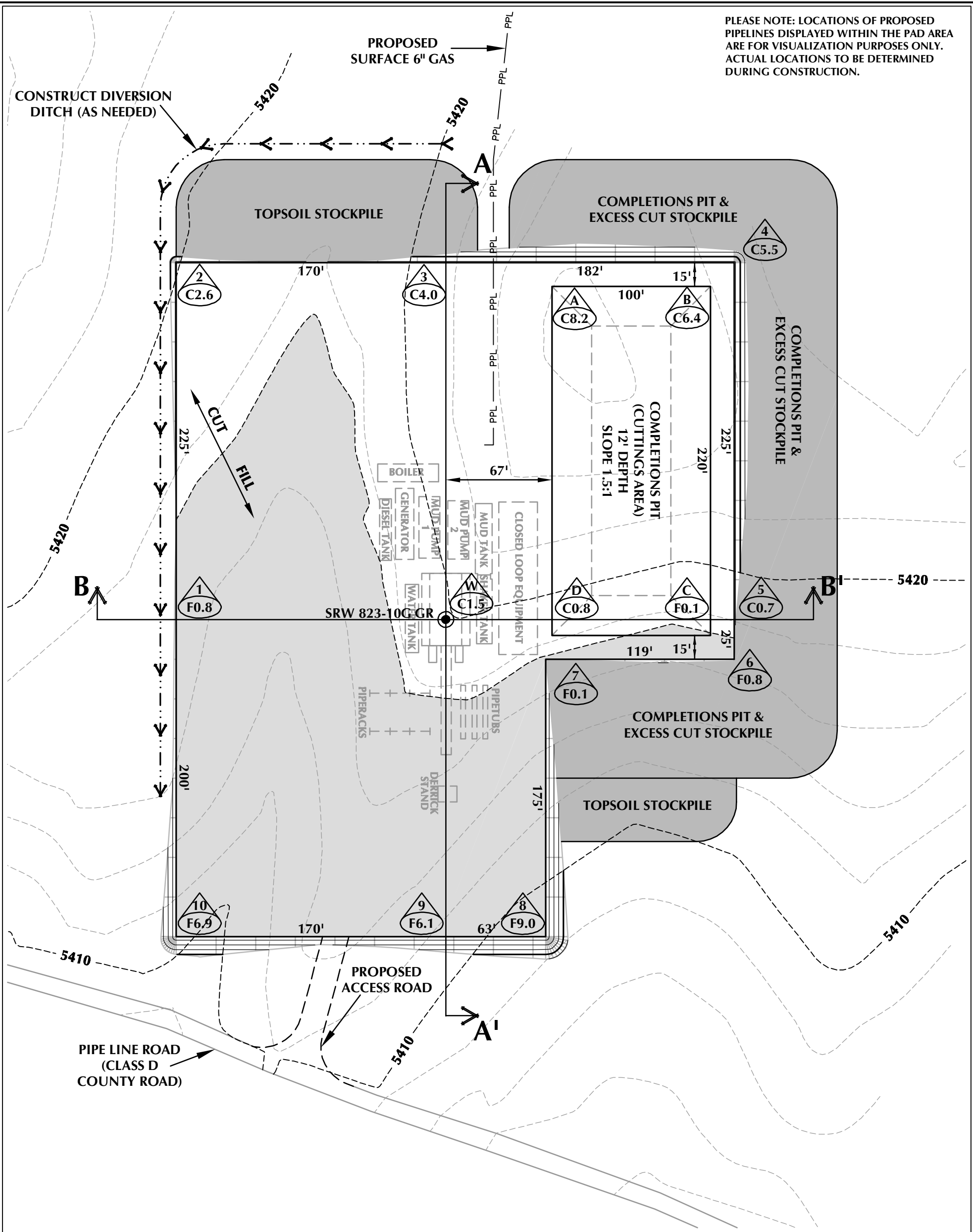
ENGINEERING & LAND SURVEYING, INC.
 209 NORTH 300 WEST - VERNAL, UTAH 84078

DATE SURVEYED: 3-22-13	SURVEYED BY: J.W.	1 1 OF 12
DATE DRAWN: 3-25-13	DRAWN BY: J.G.C.	
SCALE: 1" = 1000'	Date Last Revised:	

RECEIVED: July 15, 2013



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PLEASE NOTE: LOCATIONS OF PROPOSED PIPELINES DISPLAYED WITHIN THE PAD AREA ARE FOR VISUALIZATION PURPOSES ONLY. ACTUAL LOCATIONS TO BE DETERMINED DURING CONSTRUCTION.

WELL PAD - SRW 823-10G (CLOSED LOOP) DESIGN SUMMARY

EXISTING GRADE @ CENTER OF WELL PAD = 5419.0'
FINISHED GRADE ELEVATION = 5417.5'
CUT SLOPES = 1.5:1
FILL SLOPES = 1.5:1
TOTAL WELL PAD AREA = 3.16 ACRES
TOTAL DISTURBANCE AREA = 4.43 ACRES
SHRINKAGE FACTOR = 1.10
SWELL FACTOR = 1.00

Kerr-McGee Oil & Gas Onshore, LP
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WELL PAD - SRW 823-10G

WELL PAD - LOCATION LAYOUT
SRW 823-10G GR
LOCATED IN SECTION 10, T8S, R23E,
S.L.B.&M., UINTAH COUNTY, UTAH



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WELL PAD QUANTITIES

TOTAL CUT FOR WELL PAD = 9,038 C.Y.
TOTAL FILL FOR WELL PAD = 8,264 C.Y.
TOPSOIL @ 6" DEPTH = 2,551 C.Y.
EXCESS MATERIAL = 774 C.Y.

COMPLETIONS PIT QUANTITIES

TOTAL CUT FOR COMPLETIONS PIT
+/- 7,410 C.Y.
COMPLETIONS PIT CAPACITY
(2' OF FREEBOARD)
+/- 28,140 BARRELS

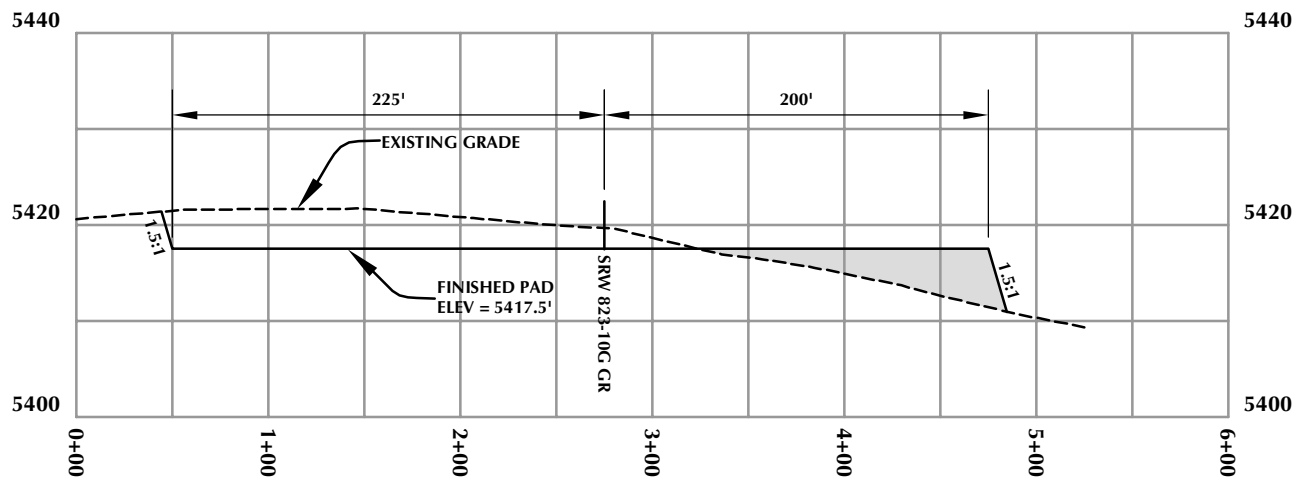
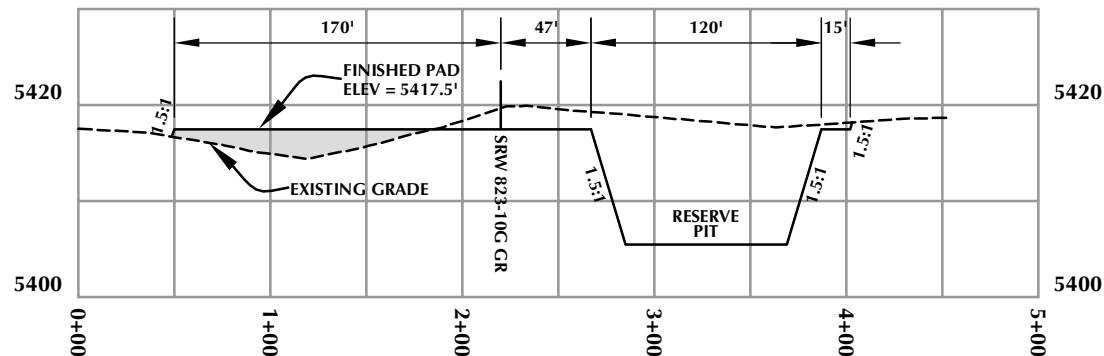
WELL PAD LEGEND

- EXISTING WELL LOCATION
- PROPOSED WELL LOCATION
- PROPOSED BOTTOM HOLE LOCATION
- EXISTING CONTOURS (2' INTERVAL)
- PROPOSED CONTOURS (2' INTERVAL)
- PPL - PROPOSED PIPELINE
- EPL - EXISTING PIPELINE



HORIZONTAL 0 30' 60' 1" = 60'
2' CONTOURS

SCALE: 1"=60' DATE: 4/30/13 SHEET NO: 2B 2B OF 12

**CROSS SECTION A-A'****CROSS SECTION B-B'**

NOTE: CROSS SECTION B-B' DEPICTS
MAXIMUM RESERVE PIT DEPTH.

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WELL PAD - SRW 823-10G

WELL PAD - CROSS SECTIONS
SRW 823-10G GR
LOCATED IN SECTION 10, T8S, R23E,
S.L.B.&M., UINTAH COUNTY, UTAH



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HORIZONTAL 0 50' 100' 1" = 100'
VERTICAL 0 10' 20' 1" = 20'

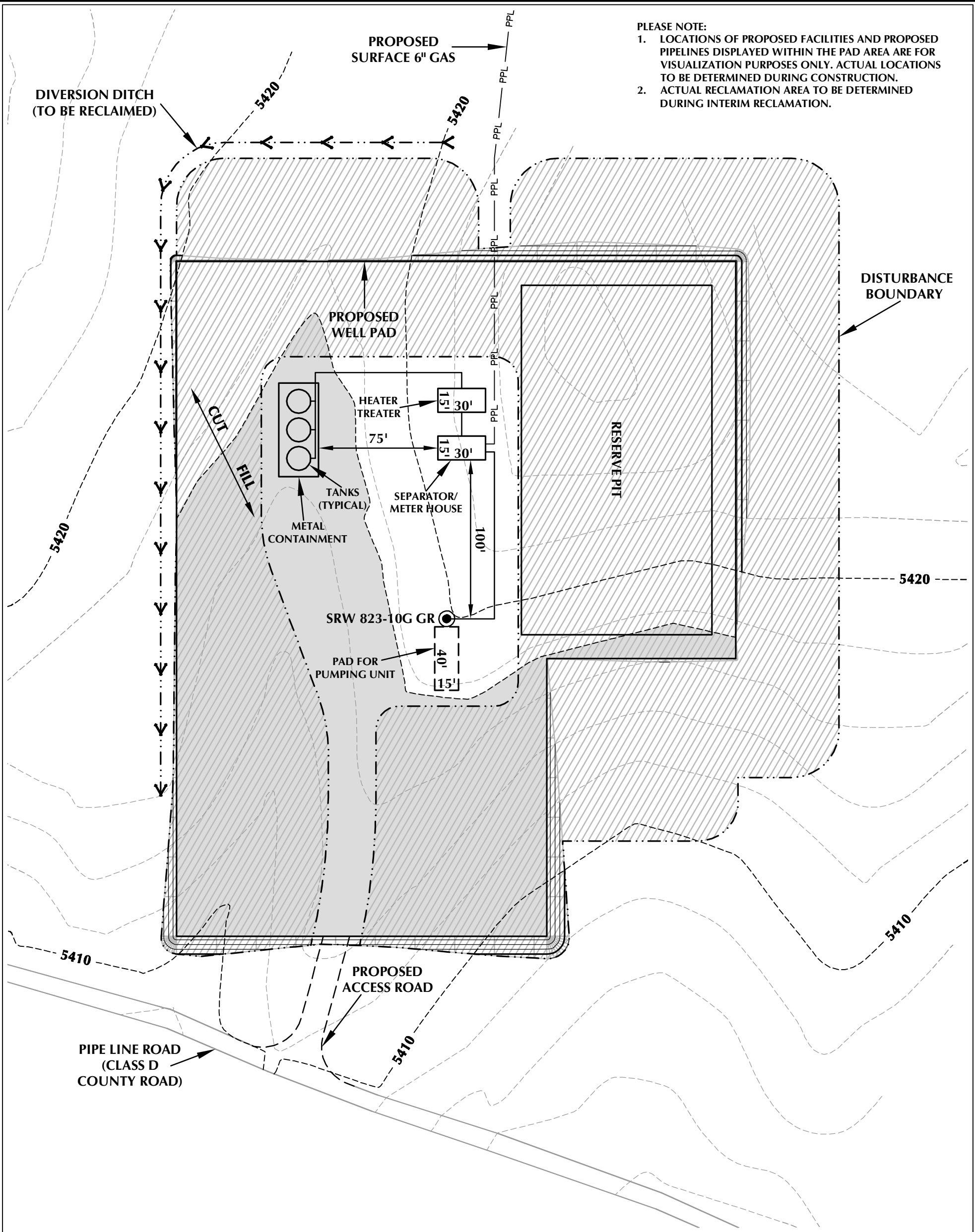
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REVISED:

DATE: 4/4/13

SHEET NO:

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- PLEASE NOTE:
1. LOCATIONS OF PROPOSED FACILITIES AND PROPOSED PIPELINES DISPLAYED WITHIN THE PAD AREA ARE FOR VISUALIZATION PURPOSES ONLY. ACTUAL LOCATIONS TO BE DETERMINED DURING CONSTRUCTION.
 2. ACTUAL RECLAMATION AREA TO BE DETERMINED DURING INTERIM RECLAMATION.

WELL PAD - SRW 823-10G RECLAMATION DESIGN SUMMARY

TOTAL DISTURBANCE AREA = 4.43 ACRES
RECLAMATION AREA = 3.55 ACRES
TOTAL WELL PAD AREA AFTER RECLAMATION = 0.88 ACRES

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WELL PAD - SRW 823-10G

WELL PAD - RECLAMATION LAYOUT
SRW 823-10G GR
LOCATED IN SECTION 10, T8S, R23E,
S.L.B.&M., UINTAH COUNTY, UTAH



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WELL PAD LEGEND

- EXISTING WELL LOCATION
- PROPOSED WELL LOCATION
- EXISTING CONTOURS (2' INTERVAL)
- PROPOSED CONTOURS (2' INTERVAL)
- PPL - PROPOSED PIPELINE
- EPL - EXISTING PIPELINE
- RECLAMATION AREA



HORIZONTAL 0 30' 60' 1" = 60'
2' CONTOURS

SCALE: 1"=60' DATE: 4/4/13 SHEET NO:

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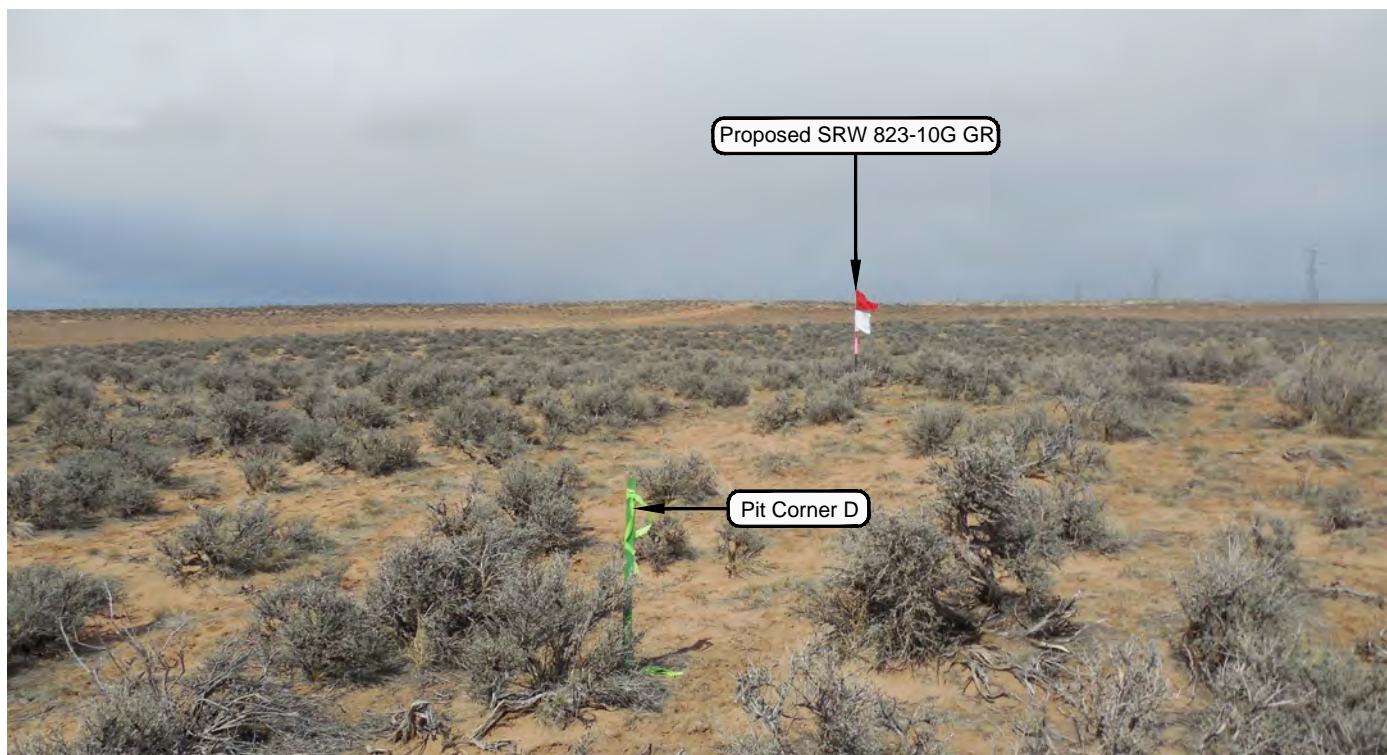


PHOTO VIEW: FROM PIT CORNER D TO LOCATION STAKE

CAMERA ANGLE: NORTHWESTERLY



PHOTO VIEW: FROM BEGINNING OF PROPOSED ROAD

CAMERA ANGLE: EASTERLY

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WELL PAD - SRW 823-10G

LOCATION PHOTOS
SRW 823-10G GR
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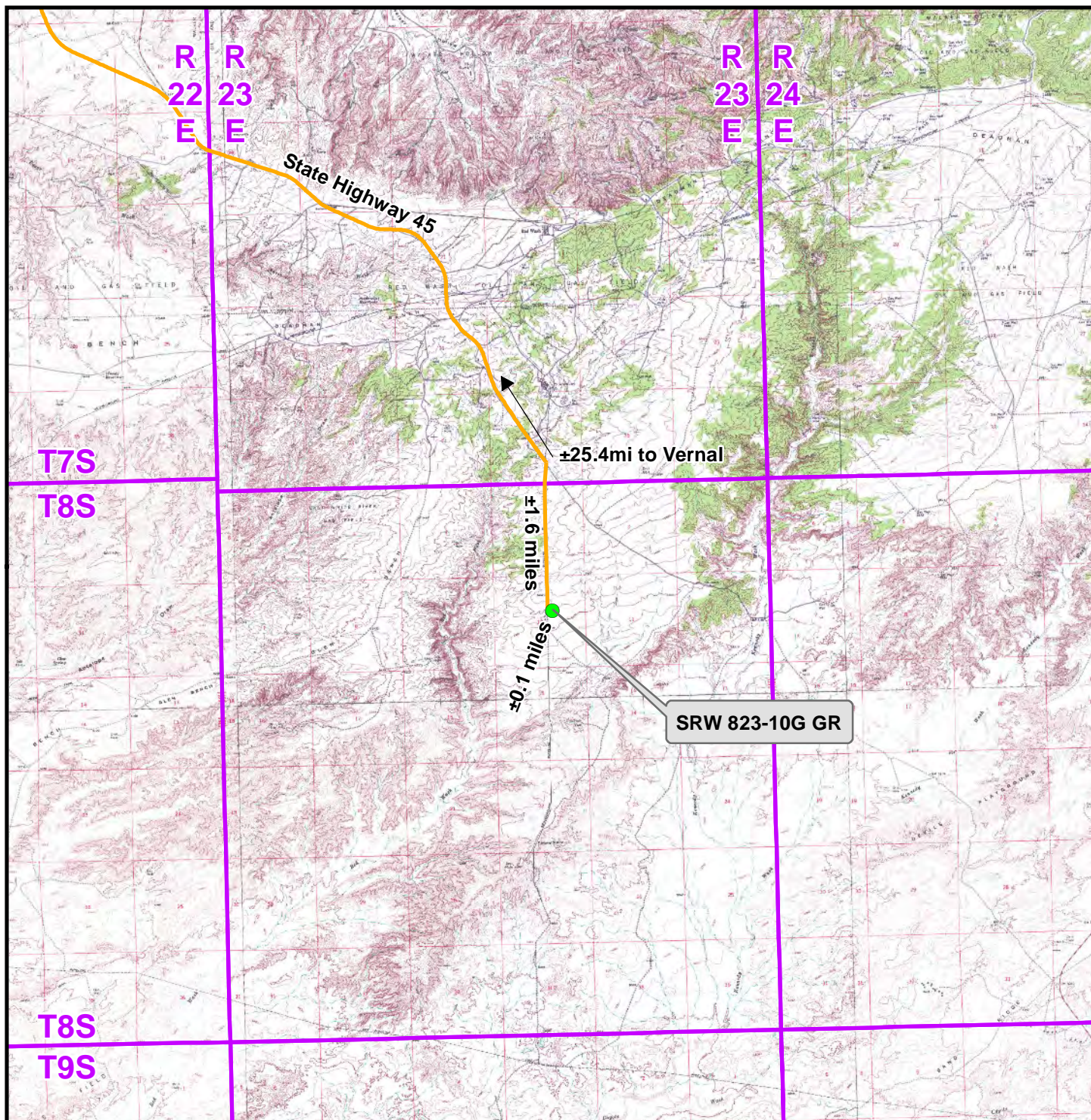
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DATE PHOTOS TAKEN: 3-22-13	PHOTOS TAKEN BY: J.W.	SHEET NO: 5 5 OF 12
DATE DRAWN: 3-25-13	DRAWN BY: J.G.C.	
Date Last Revised:		

RECEIVED: July 15, 2013



Legend

● Proposed Well Location — Access Route - Proposed

WELL PAD - SRW 823-10G

TOPO A
SRW 823-10G GR
LOCATED IN SECTION 10, T8S, R23E,
S.L.B.&M., UINTAH COUNTY, UTAH

**Kerr-McGee Oil &
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Denver, Colorado 80202



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SCALE: 1:100,000

NAD83 USP Central

SHEET NO:

DRAWN: TL

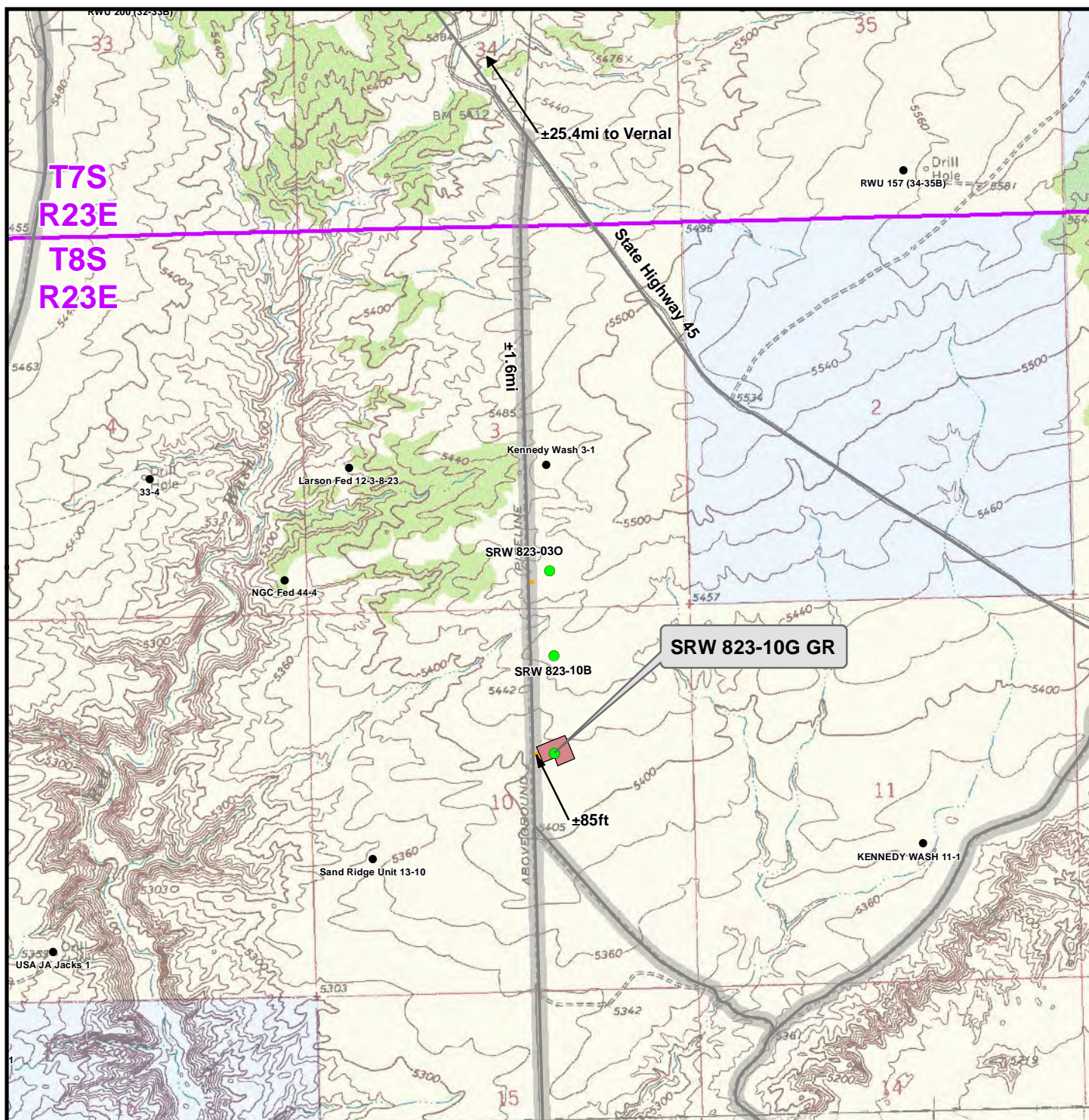
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REVISED:

DATE:

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**Legend**

- | | | | | | |
|-------------------|------------|---------------------|--------------------------|-----------------------------|-----------|
| ● Well - Proposed | ■ Well Pad | --- Road - Proposed | ▬ County Road | ■ Bureau of Land Management | ■ State |
| ● Well - Existing | | ▬ Road - Existing | ▬ Culvert/LWC - Proposed | ■ Indian Reservation | ■ Private |

Total Proposed Road Length: ±85ft

WELL PAD - SRW 823-10G

TOPO B
SRW 823-10G GR
 LOCATED IN SECTION 10, T8S, R23E,
 S.L.B.&M., UINTAH COUNTY, UTAH

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**CONSULTING, LLC**

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 Phone 307-674-0609
 Fax 307-674-0182

SCALE: 1" = 2,000ft

DRAWN: TL

REVISED: TL

NAD83 USP Central

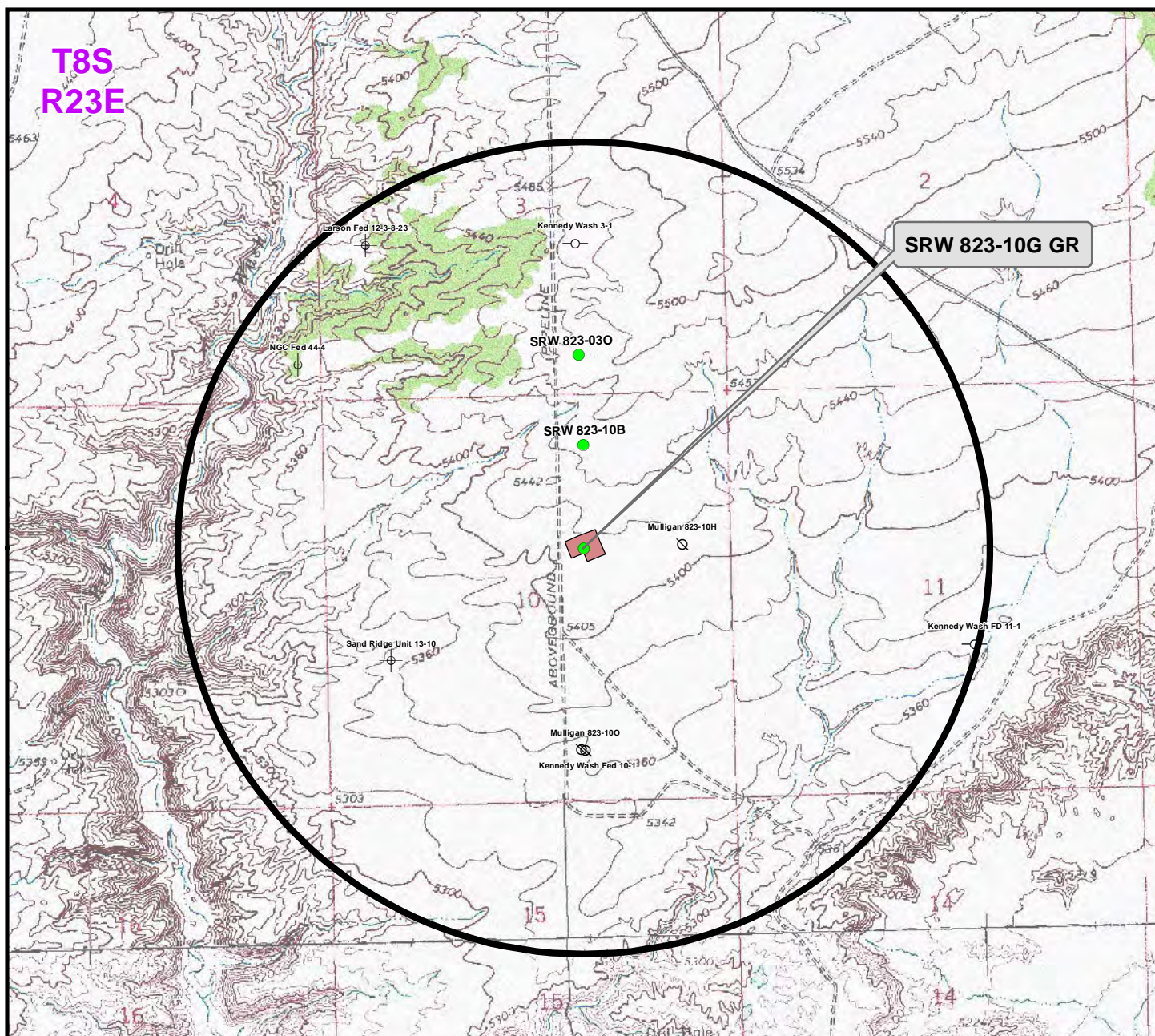
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DATE: 12 Apr 2013

SHEET NO:

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Well locations derived from Utah Division of Oil, Gas and Mining (UDOGM) (oilgas.ogm.utah.gov). The estimated distances from proposed bore locations to the nearest existing bore locations are based on UDOGM data.

Proposed Well	Nearest Well Bore	Footage
SRW 823-10G GR	Sand Ridge Unit 13-10	2,905ft

Legend

- | | | | | | |
|--------------------------|------------------------|------------------------|-------------------------|----------------------|-----------------------|
| ● Well - Proposed | — Well Path | ☀ Producing | ⊕ Deferred | ⚡ Active Injector | ⊕ Plugged & Abandoned |
| ● Bottom Hole - Proposed | ■ Well Pad | ☺ Spudded | ⊗ Cancelled | ⚡ Location Abandoned | ⊖ Shut-In |
| ● Bottom Hole - Existing | ⬤ Well - 1 Mile Radius | ○ APD Approved | ⊖ Temporarily Abandoned | | |
| | | ⊖ Preliminary Location | | | |

WELL PAD - SRW 823-10G

TOPO C
SRW 823-10G GR
LOCATED IN SECTION 10, T8S, R23E,
S.L.B.&M., UINTAH COUNTY, UTAH

**Kerr-McGee Oil &
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SCALE: 1" = 2,000ft

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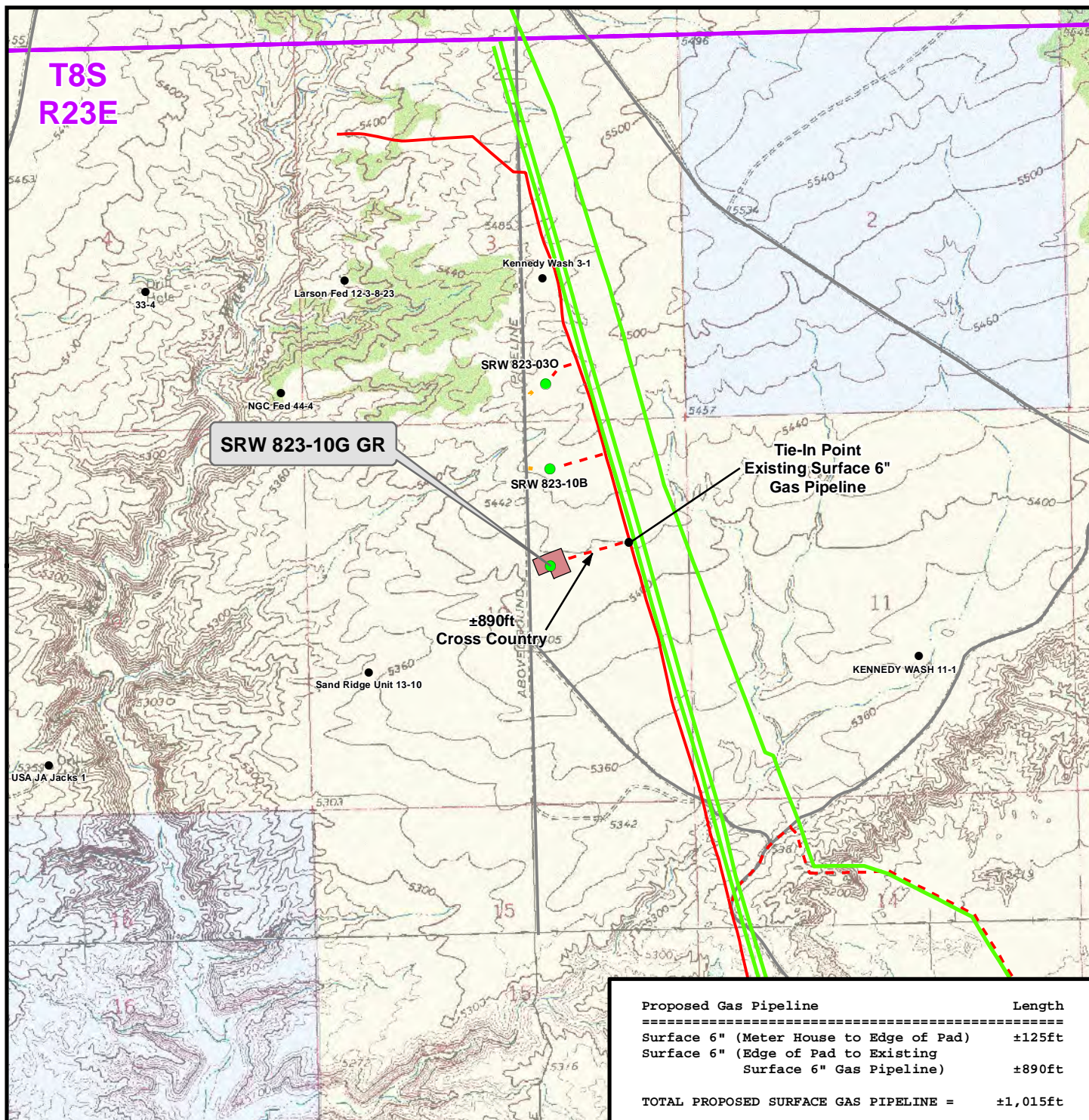
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DATE:

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**Legend**

● Well - Proposed	- - - Gas Pipeline - Proposed	- - - Liquid Pipeline - Proposed	- - - Road - Proposed	■ Bureau of Land Management	■ State
● Well - Existing	- - - Gas Pipeline - To Be Upgraded	- - - Liquid Pipeline - Existing	- - - Road - Existing	■ Indian Reservation	■ Private
■ Well Pad	- - - Gas Pipeline - Existing	- - - Overhead Powerline - Existing			

WELL PAD - SRW 823-10G

TOPO D
SRW 823-10G GR
 LOCATED IN SECTION 10, T8S, R23E,
 S.L.B.&M., UINTAH COUNTY, UTAH

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SCALE: 1" = 2,000ft

DRAWN: TL

REVISED:

NAD83 USP Central

DATE: 12 Apr 2013

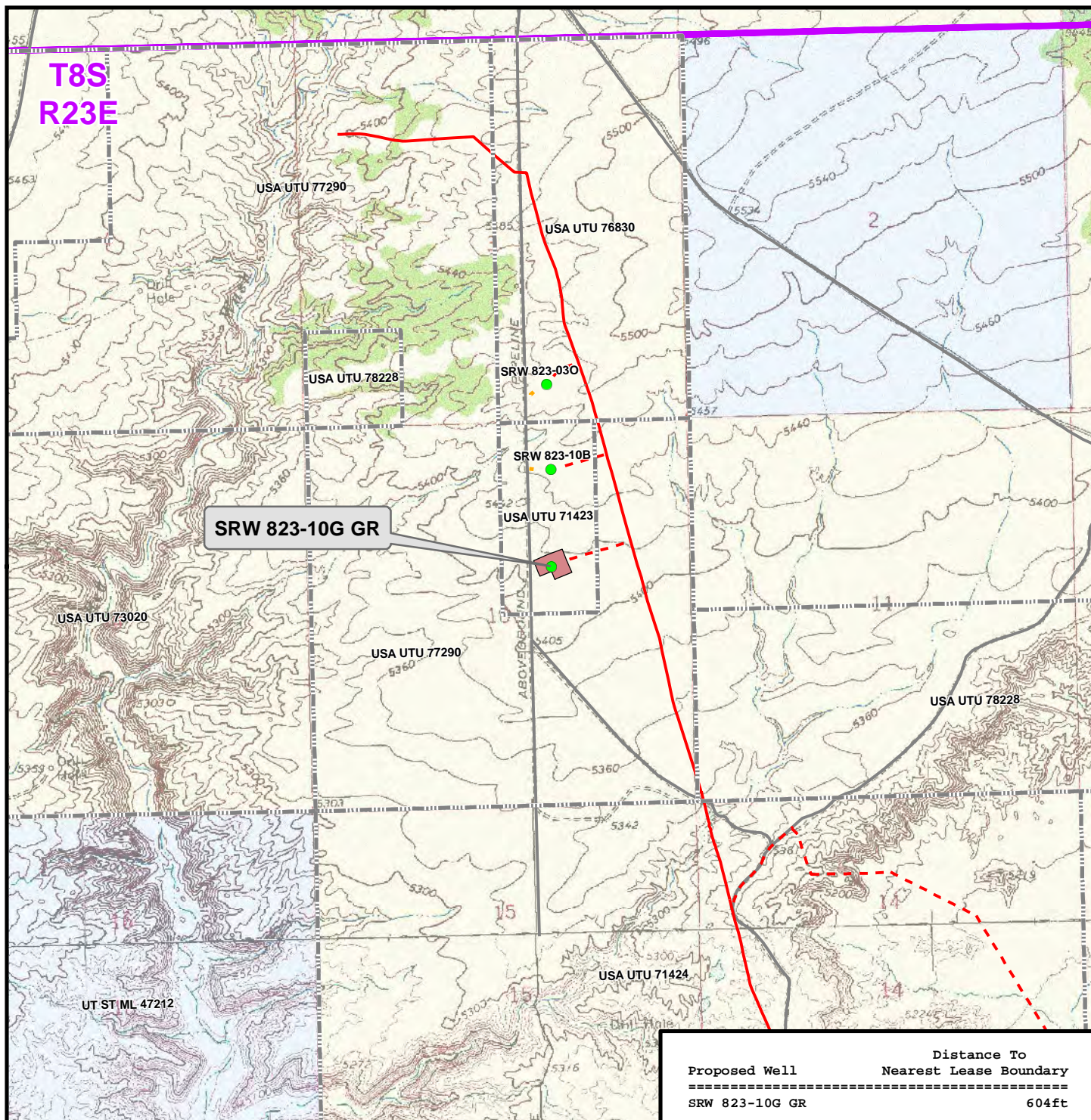
DATE:

SHEET NO:

9

9 OF 12

RECEIVED: July 15, 2013



Legend

- | | | | | | |
|--------------------------|------------------|-------------------------------------|----------------------------------|-----------------------|-----------------------------|
| ● Well - Proposed | ■ Well Pad | - - - Gas Pipeline - Proposed | - - - Liquid Pipeline - Proposed | - - - Road - Proposed | ■ Bureau of Land Management |
| ● Bottom Hole - Proposed | ■ Lease Boundary | - - - Gas Pipeline - To Be Upgraded | - - - Liquid Pipeline - Existing | - - - Road - Existing | ■ Indian Reservation |
| ● Bottom Hole - Existing | | - - - Gas Pipeline - Existing | | | ■ State |
| — Well Path | | | | | ■ Private |

WELL PAD - SRW 823-10G

TOPO E
SRW 823-10G GR
 LOCATED IN SECTION 10, T8S, R23E,
 S.L.B.&M., UINTAH COUNTY, UTAH

**Kerr-McGee Oil &
 Gas Onshore L.P.**

1099 18th Street
 Denver, Colorado 80202



CONSULTING, LLC

2155 North Main Street
 Sheridan, Wyoming 82801
 Phone 307-674-0609
 Fax 307-674-0182

SCALE: 1" = 2,000ft

DRAWN: TL

REVISED:

NAD83 USP Central

DATE: 12 Apr 2013

DATE:

SHEET NO:

11

11 OF 12

Kerr-McGee Oil & Gas Onshore, LP
WELL PAD – SRW 823-10G
WELL – SRW 823-10G GR
Section 10, T8S, R23E, S.L.B.&M.

From the intersection of U.S. Highway 40 and 500 East Street in Vernal, Utah, proceed in an easterly, then southerly direction along U.S. Highway 40 approximately 3.3 miles to the junction of State Highway 45 to the south. Exit right and proceed in a southerly direction along State Highway 45 approximately 22.1 miles to the junction of a Class D County Road (Pipe Line Road) to the south. Exit right and proceed in a southerly direction along the Class D County Road approximately 1.6 miles to the proposed access road to the east. Exit left and follow the road flags in an easterly direction approximately 85 feet to the proposed well location.

Total distance from Vernal, Utah to the proposed well location is approximately 27.0 miles in a southerly direction.

Kerr-McGee Oil & Gas Onshore, L.P.

API #**SRW 823-10G GR**

Surface:	2015 FNL / 1923 FEL	SWNE
BHL:	2015 FNL / 1923 FEL	SWNE

This Surface Use Plan of Operations (SUPO) or 13-point plan provides site-specific information for the above-referenced wells.

In accordance with Utah Oil & Gas Conservation Rule R649-3-10 pertaining to Vertical Drilling, these wells will be drilled vertically. Refer to Topo Map A for directions to the location and Topo Maps A and B for location of access roads within a 2-mile radius.

An on-site meeting was held on April 18, 2013. Present were:

- Tyler Cox, Aaron Roe, Jessica DaBell, Korie Hamming- BLM
- Mitch Batty - Timberline Engineering & Land Surveying, Inc.
- Gina Becker, Rod Anderson, Doyle Homes, Casey McKee, Doreen Green - Kerr-McGee
- Bill Knapp - ICF

A. Existing Roads:

Please refer to the Standard Operating Practices on file at the BLM Vernal Field Office dated October 31, 2012.

Please refer to Topo B for existing roads.

B. New or Reconstructed Access Roads:

Please refer to the Standard Operating Practices on file at the BLM Vernal Field Office dated October 31, 2012.

The following segments are "on-lease"

±85' (0.01 miles) – Section 10 T8S R23E (NE/4) – On-lease UTU71423, from the edge of pad to the existing County Road to the West. Please refer to Topo Map B.

C. Location of Existing Wells:

Please refer to Topo C for existing wells.

D. Location of Existing and/or Proposed Facilities:

Please refer to the Standard Operating Practices on file at the BLM Vernal Field Office dated October 31, 2012.

Gas Gathering Pipeline infrastructure will be utilized to collect and transport gas from the well which is owned and operated by Kerr McGee Oil and Gas Onshore LP (Kerr-McGee).

GAS GATHERING

Please refer to Exhibit A and Topo D2- Pad and Pipeline Detail.

The total gas gathering pipeline distance from the meter to the tie in point is $\pm 1,015'$ and the individual segments are broken up as follows:

The following segments are "onlease", no ROW needed.

- $\pm 125'$ (0.02 miles) – Section 10 T8S R23E (NE/4) – On-lease UTU71423, BLM surface, New 6" surface gas gathering pipeline from the meter to the edge of the pad. Please refer to Topo D2 - Pad and Pipeline Detail.
- $\pm 890'$ (0.17 miles) – Section 10 T8S R23E (NE/4) – On-lease UTU71423 and UTU77290, BLM surface, New 6" surface gas gathering pipeline from the edge of the pad to the traveling cross county to the tie-in point at the existing surface 6" gas pipeline to the East of the pad on-lease UTU77290. Please refer to Exhibit A, Line 14.

Pipeline Gathering Construction

Please refer to the Standard Operating Practices on file at the BLM Vernal Field Office dated October 31, 2012.

The Anadarko Completions Transportation System (ACTS) information:

Please refer to the Standard Operating Practices on file at the BLM Vernal Field Office dated October 31, 2012.

Please refer to Exhibit C for ACTS Lines

E. Location and Types of Water Supply:

Please refer to the Standard Operating Practices on file at the BLM Vernal Field Office dated October 31, 2012.

Water will be hauled to location over the roads marked on Maps A and B.

F. Construction Materials:

Please refer to the Standard Operating Practices on file at the BLM Vernal Field Office dated October 31, 2012.

G. Methods for Handling Waste:

Please refer to the Standard Operating Practices on file at the BLM Vernal Field Office dated October 31, 2012.

Materials Management

Please refer to the Standard Operating Practices on file at the BLM Vernal Field Office dated October 31, 2012.

H. Ancillary Facilities:

No additional ancillary facilities are planned for this location.

SRW 823-10G GR
Kerr-McGee Oil Gas Onshore, L.P.

Surface Use Plan of Operations
3 of 5

I. Well Site Layout:

Please refer to the Standard Operating Practices on file at the BLM Vernal Field Office dated October 31, 2012.

J. Plans for Surface Reclamation:

Please refer to the Standard Operating Practices on file at the BLM Vernal Field Office dated October 31, 2012.

Interim Reclamation

Please refer to the Standard Operating Practices on file at the BLM Vernal Field Office dated October 31, 2012.

Final Reclamation

Please refer to the Standard Operating Practices on file at the BLM Vernal Field Office dated October 31, 2012.

Measures Common to Interim and Final Reclamation

Please refer to the Standard Operating Practices on file at the BLM Vernal Field Office dated October 31, 2012.

Weed Control

Please refer to the Standard Operating Practices on file at the BLM Vernal Field Office dated October 31, 2012.

Monitoring

Please refer to the Standard Operating Practices on file at the BLM Vernal Field Office dated October 31, 2012.

K. Surface/Mineral Ownership:

United States of America
Bureau of Land Management
170 South 500 East
Vernal, UT 84078
(435)781-4400

L. Other Information:

Cultural and Paleontological Resources

Please refer to the Standard Operating Practices on file at the BLM Vernal Field Office dated October 31, 2012.

RECEIVED: August 23, 2013

SRW 823-10G GR
Kerr-McGee Oil Gas Onshore, L.P.

Surface Use Plan of Operations
4 of 5

Resource Reports:

A Class I literature survey was completed on April 23, 2013 by Montgomery Archaeological Consultants, Inc (MOAC). For additional details please refer to report MOAC 13-057.

A paleontological reconnaissance survey was completed on April 01, 2013 by SWCA Environmental Consultants. For additional details please refer to report UT13-14314-12.

Biological field survey was completed on April 23, 2013 by Grasslands Consulting, Inc (GCI). For additional details please refer to report GCI-873.

Proposed Action Annual Emissions Tables:

Please refer to the Appendix in the Standard Operating Practices on file at the BLM Vernal Field Office dated October 31, 2012.

RECEIVED: August 23, 2013

SRW 823-10G GR
Kerr-McGee Oil Gas Onshore, L.P.

Surface Use Plan of Operations
5 of 5

M. Lessee's or Operators' Representative & Certification:

Gina Becker
Senior Regulatory Analyst
Kerr-McGee Oil & Gas Onshore LP
PO Box 173779
Denver, CO 80217-3779
(720) 929-6086

Tommy Thompson
General Manager, Drilling
Kerr-McGee Oil & Gas Onshore LP
PO Box 173779
Denver, CO 80217-3779
(720) 929-6724

Certification: All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approved Plan of Operations, and any applicable Notice to Lessees.

The Operator will be fully responsible for the actions of its subcontractors. A complete copy of the approved "Application for Permit to Drill" will be furnished to the field representative(s) to ensure compliance and shall be on location during all construction and drilling operations.

Kerr-McGee Oil & Gas Onshore LP is considered to be the operator of the subject well. Kerr-McGee Oil & Gas Onshore LP agrees to be responsible under terms and conditions of the lease for the operations conducted upon leased lands.

Bond coverage pursuant to 43 CFR 3104 for lease activities is being provided by Bureau of Land Management Nationwide Bond WYB000291.

I hereby certify that I, or persons under my supervision, have inspected the proposed drill site and access route, that I am familiar with the conditions that currently exist; that I have full knowledge of the State and Federal laws applicable to this operation; that the statements made in this plan are, to the best of my knowledge, true and correct; and the work associated with the operations proposed herein will be performed in conformity with this APD package and the terms and conditions under which it is approved. I also certify that I, or the company I represent, am responsible for operations conducted under this application. These statements are subject to the provisions of 18 U.S.C. 1001 for the filing of false statements.


Gina Becker

May 7, 2013
Date



October 31, 2012

Kerr-McGee Oil & Gas Onshore L.P., wholly owned subsidiary of Anadarko Petroleum Corporation, Standard Operating Practice Agreement for the Greater Natural Buttes Field

Drilling Program

All lease and/or unit operations will be conducted in such a manner that full compliance is made with applicable laws, regulations, Onshore Oil and Gas Orders, and the approved plan of operation. As Operator, Kerr-McGee, is fully responsible for actions of subcontractors. A copy of these Standard Operating Practices will be furnished to the field representatives to insure compliance.

BLM Notification Requirements:

Location Constructions: At least 48 hours prior to construction of location and access roads including notification, if applicable, to other surface management agencies, such as Ute Tribe Energy and Mineral Department, State of Utah, or private surface owner(s).

Location Completion: Prior to moving on the drilling rig

Spud Notice: At least 24 hours prior to spudding the well.

Casing String and Cementing: At least 24 hours prior to running casing and cementing all casing.

BOP & Related Equipment Tests: At least 24 hours prior to initiating pressure tests.

First Production Notice: Within 5 days after a new well begins production; or, within 5 days of when production resumes after a well has been off production for more than 90 days.

Details of the on-site inspection, including date, time, weather conditions, and individuals present, will be submitted with the site-specific Application for Permit to Drill (APD).

1. Estimated Tops of Important Geologic Markers:

Formation and depths will be submitted with site-specific APDs.

2. Estimated Depths of Anticipated Water, Oil, Gas, or Mineral Formations:

Formation and depths will be submitted with site-specific APDs.

3. Pressure Control Equipment:

Pressure Control Equipment Schematic is attached as appendix F. Any variance will be included in the site-specific APDs.

4. Proposed Casing & Cementing Program:

Proposed casing and cementing will be submitted with site-specific APDs.

5. Drilling Fluids Program:

Proposed drilling fluids will be submitted with site-specific APDs.

6. Evaluation Program:

Evaluation program will be submitted with site-specific APDs.

7. Abnormal Conditions:

Any abnormal condition will be submitted with site specific APDs.

8. Anticipated Starting Dates:

Drilling is planned to commence within the administrative period of an approved application.

9. Variances:

Kerr-McGee respectfully requests a variance to several requirements associated with air drilling outlined in Onshore Order 2:

Variance for air drilling

An air rig is only used by Kerr-McGee to construct a stable surface casing hole through a historically difficult lost circulation zone. A conventional rotary rig follows the air rig and is used to drill and construct the majority of the wellbore.

KMG typically utilizes an air rig for drilling the surface casing hole, an interval from the surface to surface casing depths, which varies in depth from 1,700 to 2,800 feet. The air rig drilling operation does not drill through productive or over pressured formations in KMG field, but does penetrate the Uinta and Green River Formations. The purpose of the air drilling operation is to overcome the severe loss circulation zone in the Green River known as the Bird's Nest while

creating a stable hole for the surface casing. The surface casing hole is generally drilled to approximately 500 feet below the Bird's Nest.

Before the surface air rig is mobilized, a rathole rig is utilized to set and cement conductor pipe through a competent surface formation. Generally, the conductor is set at 40 feet. In some cases, conductor may be set deeper in areas that the surface formation is not found competent. This rig also drills the rat and mouse holes in preparation for the surface casing and production string drilling operations.

The air rig is then mobilized to drill the surface casing hole by drilling a 12 1/4 inch hole for the first 200 feet, then will drill an 11 inch hole to just above the Bird's Nest interval with an air hammer. The hammer is then tripped and replaced with an 11 inch tri-cone bit. The tri-cone bit is used to drill to the surface casing point, approximately 500 feet below the loss circulation zone (Bird's Nest). The 8-5/8 inch surface casing is then run and cemented in place, thereby isolating the lost circulation zone.

Variance for BOPE Requirements

The air rig operation utilizes a properly lubricated and maintained air bowl diverter system which diverts the drilling returns to a six-inch blooie line. The air bowl is the only piece of BOPE equipment which is installed during drilling operations and is sufficient to contain the air returns associated with this drilling operation. As was discussed earlier, the drilling of the surface hole does not encounter any over pressured or productive zones, and as a result standard BOPE equipment should not be required. In addition, standard drilling practices do not support the use of BOPE on 40 feet of conductor pipe.

Variance for Mud Material Requirements

Onshore Order 2 also states that sufficient quantities of mud materials shall be maintained or readily for the purpose of assuring adequate well control. Once again, the surface hole drilling operations does not encounter over pressured or productive intervals, and as a result there is not a need to control pressure in the surface hole with a mud system. Instead of mud, the air rigs utilize water from the reserve pit for well control, if necessary. A skid pump, which is located near the reserve pit, will supply the water to the well bore.

Variance for Special Drilling Operation (surface equipment placement)

Onshore Order 2 requires specific safety distances or setbacks for the placement of associated standard air drilling equipment, wellbore, and reserve pits. The air rigs used to drill the surface holes are not typical of an air rig used to drill a producing hole in other parts of the US. These are smaller in nature and designed to fit a KMG locations.

Typically the blooie line discharge point is required to be 100 feet from the well bore. In the case of a KMG well, the reserve pit is only 45 feet from the rig and is used for the drill cuttings. The blooie line, which transports the drill cuttings from the well to the reserve pit, subsequently discharges only 45 feet from the well bore.

Typically the air rig compressors are required to be located in the opposite direction from the blooie line and a minimum of 100 feet from the well bore. At the KMG locations, the air rig compressors are approximately 40 feet from the well bore and approximately 60 feet from the blooie line discharge due to the unique air rig design. The air compressors are located on the rig (1250 cfm) and on a standby trailer (1170 cfm). A booster sits between the two compressors and boosts the output from 350 psi to 2000 psi. The design does put the booster and standby compressor opposite from the blooie line.

Lastly, Onshore Order 2 addresses the need for an automatic igniter or continuous pilot light on the blooie line. The air rig does not utilize an igniter as the surface hole drilling operation does not encounter productive formations.

Variance for FIT Requirements

KMG also respectfully requests a variance to Onshore Order 2, Section III, Part B1, for the pressure integrity test (PIT, also known as a formation integrity test (FIT)). These wells are not exploratory well and are being drilled in an area where the formation integrity is well known. Additionally, when an FIT is run with the mud weight as required, the casing shoe frequently breaks down and causes subsequent lost circulation when drilling the entire depth of the well.

10. Other Information:

Drilling Program will be submitted with site-specific APDs.

SURFACE USE PROGRAM

A. Existing Roads:

Existing roads consist of county and improved/unimproved access roads (two-tracks). In accordance with Onshore Order #1, Kerr-McGee will improve or maintain existing roads in a condition that is the same as or better than before operations began. New or reconstructed proposed access roads are discussed in Section B.

The existing roads will be maintained in a safe and usable condition. Maintenance for existing roads will continue until final abandonment and reclamation of well pads and/or other facilities, as applicable. Road maintenance will include, but is not limited to, blading, ditching, and/or culvert installation and cleanout. To ensure safe operating conditions, gravel surfacing may be performed where excessive rutting or erosion may occur. Dust control may be performed as necessary to ensure safe operating conditions.

Roads, gathering lines and electrical distribution lines may occupy common disturbance corridors where possible. Where available, roadways may be used as the staging area and working space for installation of gathering lines. All disturbances located in the same corridor may overlap each other to the maximum extent possible, while maintaining safe and sound

construction and installation practices. Unless otherwise approved or requested in site specific documents, in no case will the maximum disturbance widths of the access road and utility corridors exceed the widths specified in Part D of this document.

Within individual APDs, please refer to Topo B, for existing roads.

B. New or Reconstructed Access Roads:

All new or reconstructed roads will be located, designed, and maintained to meet the standards of the BLM's Surface Operating Standards for Oil and Gas Exploration and Development, 4th Edition (Gold Book) (USDI and USDA, 2007). The BLM Manual Section 9113 (1985) will be considered in consultation with the BLM in the design, construction, improvement and maintenance of all new or reconstructed roads. If a new road would cross a water of the United States, Kerr-McGee will adhere to all applicable US Army Corps of Engineers requirements in cooperation with the Utah Division of Water Rights.

New well pads or pad expansions may require construction of a new access road and/or de-commissioning of an older road. Plans, routes, and distances for new roads and road improvements are provided in design packages, exhibits and maps for a project. Project-specific maps are submitted to depict the locations of existing, proposed, and/or decommissioned and include the locations for supporting structures, including, but not limited to, culverts, bridges, low water crossings, range infrastructure, and haul routes, per OSO 1. Designs for cuts and fills, including spoils source and storage areas, are provided with the road designs, as necessary.

Where safety objectives can be met Kerr-McGee may use unimproved and/or two-track roads for lease operations and to lessen total disturbance. Road designs will be based on the road safety requirements, traffic characteristics, environmental conditions, and the vehicles the road is intended to carry. Generally, newly constructed unpaved lease roads will be crowned and ditched with the running surfaces of the roads approximately 12-18 feet wide and a total road corridor width not to exceed 45 feet, except where noted in the road design for a specific project. Maximum grade will generally not exceed 8%. Borrow ditches will be back sloped 3:1 or less. Construction BMPs will be employed to control onsite and offsite erosion.

Where topography would direct storm water runoff to an access road or well pad, drainage ditches or other common drainage control facilities may be constructed to divert surface water runoff. Drainage features, including culverts, may be constructed or installed prior to commencing other operations, including drilling for facilities placement. Riprap will be placed at the inlet and outlet at the culvert(s). Drainage features will meet the standards of the BLM's Surface Operating Standards for Oil and Gas Exploration and Development, 4th Edition (Gold Book) (USDI and USDA, 2007).

Prior to construction, new access road(s) will be staked according to the requirements of OSO 1. Construction activities will not be conducted using frozen or saturated materials or during periods when significant watershed damage (e.g. rutting, extensive sheet soil erosion, formation of rills/gullies, etc.) is likely to occur. Vegetative debris will not be placed in or under fill embankments.

New road maintenance will include, but is not limited to, blading, ditching, culvert installation and cleanout, gravel surfacing where excessive rutting or erosion may occur and dust control, as necessary to ensure safe operating conditions. All vehicular traffic, personnel movement and construction/restoration operations will be confined to the approved area and to existing roadways and/or access routes.

Snow removal will be conducted on an as-needed basis to accommodate safe travel. Snow removal will occur as necessary throughout the year, as will necessary drainage ditch construction. Removed snow may be stored on permitted well pads to reduce hauling distances and/or at the aerial extent of approved disturbance boundaries to facilitate snow removal for the remainder of the season.

If a county road crossing or encroachment permit is needed, it will be obtained prior to construction.

For individual APDs, refer to Topo B.

C. Location of Existing Wells:

For individual APDs, refer to Topo C

D. Location of Existing and/or Proposed Facilities:

The following will apply if the well is productive: Gathering (pipeline) infrastructure will be utilized to collect and transport gas and fluids from the wells which are owned and operated by Kerr McGee Oil and Gas Onshore LP (Kerr-McGee). Should the well(s) prove productive, production facilities will be installed on the disturbed portion of each well pad.

A berm may be constructed completely around production components (typically excluding dehy's and/or separators) that contain fluids (i.e. production tanks, produced liquids tanks). The berms will be constructed to hold the capacity of the largest tank and have sufficient freeboard to accommodate a 25 year rainfall event. This includes pumping units. Aboveground structures constructed or installed onsite for 6 months or longer, will be painted a flat, non-reflective, earth-tone color chosen at the onsite in coordination with the BLM (typically Shadow Gray). A production facility layout is provided as part of a project- specific APD, ROW or NOS submission.

Gas Gathering

The gas gathering pipeline is made of steel line pipe, surface is bare pipe and buried is of coated with fusion bonded epoxy coating (or equivalent). The individual segments will be denoted in site-specific APDs.

Liquid Gathering

The individual segments will be denoted in site-specific APDs.

Pipeline Gathering Construction

Gas gathering pipeline(s), gas lift, or liquids pipelines may be constructed to lie on the surface or be buried. The road and/or well pad may be utilized for construction activities and staging when the pipeline is adjacent to the road or well pad. The area of disturbance during construction from the edge of road or well pad will typically be 30 feet in width. Where pipelines run cross country, the width of disturbance will typically be 45 feet for buried lines and 30 feet for surface lines. In addition, Kerr-McGee requests for a permanent 30 feet disturbance width that will be maintained for the portion adjacent to the road. The need for the 30' permanent disturbance width is for maintenance and repairs. Cross country permanent disturbance width also are required to be 30ft.

Above-ground installation will generally not require clearing of vegetation or blading of the surface, except where safety considerations necessitate earthwork. If installation cannot occur on the exact location, pipe may be constructed parallel and adjacent to a road and lifted from the road to the pipeline route. In other cases where a pipeline route is not parallel and adjacent to a road (cross-country between sites), it will be welded/fused in place at a well pad, access road, or designated work area and pulled between connection locations with a suitable piece of equipment. Buried pipelines will generally be installed parallel and adjacent to existing and/or newly constructed roads and within the permitted disturbance corridor. Buried pipelines may vary from 2 inches (typically fuel gas lines) to 24 inches (typically transportation lines) in diameter, but 6 to 16 inches is typical for a buried gas line. The diameter of liquids pipelines may vary from 2 inches to 12 inches, but 6 inches is the typical diameter. Gas lift lines may vary from 2 to 12 inches in diameter, but 6-inch diameter pipes are generally used for gas lift. If two or more pipelines are present (gas gathering, gas lift, and fluids), they will share a common trench where possible.

When installing a buried pipeline, typically topsoil will be removed, windrowed and placed on the non-working side of the route for later reclamation. Because working room is limited, the spoil may be spread out across the working side and construction will take place on the spoil. The working side of the corridor will be used for pipe stringing, bending, welding and equipment travel. Small areas on the working side displaying ruts or uneven ground will be groomed to facilitate the safe passage of equipment. After the pipelines are installed, spoil will be placed back into the trench, and the topsoil will be redistributed over the disturbed corridor prior to final reclamation. Typical depth of the trench will be 6 feet, but depths may vary according to site-specific conditions (presence of bedrock, etc.). The proposed trench width for the pipeline would range from 18-48 inches.

The pipeline will be welded along the proposed route and lowered into place. Trenching equipment will cut through the soil or into the bedrock and create good backfill, eliminating the need to remove large rocks. The proposed buried pipeline will be visually and radio-graphically inspected and the entire pipeline will be pneumatically or hydrostatically tested before being placed into service. Routine vehicle traffic will be prevented from using pipeline routes as travel ways by posting signs at the route's intersection with an access road.

The liquid gathering lines will be made of polyethylene or a composite polyethylene/steel or polyethylene/fiberglass that is not subject to internal or external pipe corrosion. The content of the produced fluids to be transferred by the liquid gathering system will be approximately 92% produced water and 8% condensate. Trunk line valve connections for the water gathering system will be below ground but accessible from the surface in order to prevent freezing during winter time.

If pipelines or roads encounter a drainage that could be subject to flooding or surface water during extreme precipitation events, Kerr-McGee will apply all applicable Army Corps mandates as well as the BLM's Hydraulic Considerations for pipeline Crossings of Stream Channels (BLM Technical Note 423, April 2007). In addition, all stream and drainage crossings will be evaluated to determine the need for stream alteration permits from the State of Utah Division of Water Rights and if necessary, required permits will be secured. Similarly, where a road or pipeline crossing exists the pipe will be butt welded and buried to a depth between 24 and 48 inches or more. Dirt roads will be cut and restored to a condition equivalent to the existing condition. All Uintah County road encroachment and crossing permits, where applicable, will be obtained prior to crossing construction. In no case will pressure testing of pipelines result in discharge of liquids to the surface.

Pipeline signs will be installed along the route to indicate the pipeline proximity, ownership, and to provide emergency contact phone numbers. Above ground valves and lateral T's will be installed at various locations for production integrity and safety purposes.

Upon completion of the proposed buried pipeline, the entire area of disturbance will be reclaimed to the standards proposed in the Green River District Reclamation Guidelines. Please refer to section J for more details regarding final reclamation.

When no longer deemed necessary by the operator, Kerr-McGee or its successor will consult with the BLM, Vernal Field Office before terminating of the use of the pipeline(s).

The Anadarko Completions Transportation System (ACTS) information:

For individual APDs, refer to Exhibit C for the proposed placement of the ACTS temporary lines.

Kerr-McGee will use either a closed loop drilling system that will require one pit and one storage area to be constructed on the drilling pad or a traditional drilling operation with one pit. The storage area will be used to contain only the de-watered drill cuttings and will be lined and reclaimed according to traditional pit closure standards. The pit will be constructed to allow for completion operations. The completion pit is lined and will be used for the wells drilled on the pad or used as part of our Anadarko Completions Transportation (ACTS) system which is discussed in more detail below. Using the closed loop drilling system will allow Kerr-McGee to decrease the amount of disturbance/footprint on location compared to a single large drilling/completion pit.

If Kerr-McGee does not use a closed loop system, it will construct a drilling reserve pit to contain drill cuttings and for use in completion operations. Depending on the location of the pit, its relation to future drilling locations, the reserve/completion pit may be utilized for the completion of the wells on that pad and/or be used as part of our ACTS system. Kerr-McGee will use ACTS to optimize the completion processes for multiple pads across the project area which may include up to a section of development. ACTS will facilitate management of completion fluids by utilizing existing reserve pits, or newly constructed completion pits, as well as temporary, surface-laid aluminum liquids transfer lines between pad locations. The pit will be refurbished when a traditional drill pit is used including mix and pile up drill cuttings with dry dirt, bury the original liner in the pit and walk bottom of pit with cat. Kerr-McGee will reline the pit with a 30 mil liner and double felt padding. The refurbished pit will be the same size or smaller as specified in the originally approved ROW/APD. The pit refurbish will be done in a normal procedure and there will be no modification to the pit.

All four sides of the completions pit will be fenced in according to standard pit fencing procedures. Netting will be installed over all pits.

Any hydrocarbons collected will be treated and sold at approved sales facilities. A loading rack with drip containment will also be installed where water trucks would unload and load to prevent damage caused from pulling hoses in and out of the pit.

ACTS will require temporarily laying multiple 6 inch aluminum water transfer lines on the surface between either existing or refurbished reserve pits. The temporary aluminum transfer lines will be utilized to transport completion fluid being injected and/or recovered during the completion process and will be laid adjacent to existing access roads or pipeline corridors. Upon conclusion of the completion operation, the liquids transfer lines will be flushed with fresh water and purged with compressed air. The contents of the transfer lines will be flushed into a water truck for delivery to another ACTS location or a reserve pit.

The volume of frac fluid transported through a water transfer line will vary, but volume is projected to be approximately 1.75 bbls per 50-foot joint. Although the maximum working pressure is 125 psig, the liquids transfer lines will be operated at a pressure of approximately 30 to 40 psig. Kerr-McGee will keep the netted pit open for one year from first production of the first produced well on the pad. During this time the surrounding well location completion fluids may be recycled in this pit and utilized for other completion jobs in the area. After one year Kerr-McGee will backfill the pit and reclaim. If the pit is not needed for an entire year it will be backfilled and reclaimed earlier. Kerr-McGee understands that due to the temporary nature of this system, BLM considers this a casual use situation; therefore, no permanent ROW or temporary use plan will need to be issued by the BLM.

E. Location and Types of Water Supply:

Water for drilling and completion operations will be obtained from the following sources:
JD Field Services:

Green River: 1087' FSL & 1020' FEL, Sec. 15 – T2N – R22E

RN Industries:

High Pressure: 705' FNL & 675' FWL, Sec. 1 – T6S – R22E
 1057' FNL & 390' FWL, Sec. 1 – T6S – R22E
 1239' FNL & 52' FEL, Sec. 6 – T6S – R23E

White River: 501' FNL & 1676' FEL, Sec. 9 – T8S – R20E
 471' FNL & 1676' FEL, Sec. 9 – T8S – R20E
 900' FNL & 550' FEL, Sec. 35 – T9S – R22E
 200' FNL & 950' FEL, Sec. 2 – T10S – R22E
 275' FSL & 2275' FEL, Sec. 2 – T10S – R22E
 122' FSL & 1350' FEL, Sec. 11 – T10S – R22E
 1670' FSL & 500' FEL, Sec. 12 – T10S – R22E
 959' FNL & 705' FEL, Sec. 13 – T10S – R22E
 600' FSL & 900' FEL, Sec. 13 – T10S – R22E

Water Plant: 481' FNL & 2176' FEL, Sec. 9 – T8S – R20E
 471' FNL & 2176' FEL, Sec. 9 – T8S – R20E

Frog Pond: 4820' FNL & 1200' FWL, Sec. 33 – T8S – R20E
 4850' FNL & 700' FWL, Sec. 33 – T8S – R20E

Blue Tanks: 200' FNL & 405' FEL, Sec. 32 – T4S – R3E

Water will be hauled to location over the roads marked in the individual APD's Maps A and B.

F. Construction Materials:

Construction operations will typically be completed with native materials found on location. Construction materials imported to the site (mineral material aggregate, soils or materials suitable for fill/surfacing) will be obtained from a nearby permitted source (described in site-specific documents). No construction materials will be removed from Federal lands without prior approval from the BLM. A source location other than an on-location construction site will be designated either via a map or narrative within the project specific materials provided to the BLM.

G. Methods for Handling Waste:

All wastes subject to regulation will be handled in compliance with applicable laws to minimize the potential for leaks or spills to the environment. Kerr-McGee maintains a Spill Control and Countermeasure Plan for each applicable location, which includes notification requirements, to the BLM and other appropriate agencies, for all reportable spills of oil, produced liquids, and hazardous materials.

Any accidental release, such as a leak or spill in excess of the reportable quantity, as established by 40 CFR Part 117.3, will be reported as per the requirements of CERCLA, Section 102 B. If a

release involves petroleum hydrocarbons or produced liquids, Kerr-McGee will comply with the notification requirements of NTL-3A.

Drill cuttings and/or drilling fluids may be contained in a reserve/completion pit whether a closed loop system is or isn't utilized and cuttings may be buried in the pit(s) upon closure. Unless specifically approved by the BLM, no oil or other oil-based drilling additives, chromium/metals-based, or saline muds will be used during drilling. Only fresh water (as specified above), biodegradable polymer soap, bentonite clay, and/or non-toxic additives will be used in the mud system.

If utilizing a closed loop system, drill cuttings and/or drilling fluids may be stored in above ground containers while on the location. All used drilling fluids may be hauled to Anadarko Petroleum Corporation's Mud Plant where it may be recycled for use at future well locations, hauled to a permitted disposal facility, or solidified for incorporation into the pad during interim reclamation practices. Drill cuttings from a closed loop system may be either hauled to an approved Utah Department of Oil, Gas and Mining Commercial Landfarm Disposal Facility or incorporated into the pad location during interim reclamation.

Pits will be constructed to eliminate the accumulation of surface precipitation runoff into the pit (via appropriate placement of subsoil storage areas and/or construction of berms, ditches, etc). Should unexpected liquid petroleum hydrocarbons (crude oil or condensate) be encountered during drilling, completions or well testing, liquid petroleum hydrocarbons will either be contained in test tanks on the well site or evacuated by vacuum trucks and transported to an approved disposal/sales facility. Should petroleum hydrocarbons unexpectedly be released into a reserve/completion pit, they will be removed as soon as practical but in no case will they remain longer than 72 hours unless an alternate is approved by the BLM. Should timely removal not be feasible, the pit will be netted as soon as practical. Similarly, hydrocarbon removal will take place prior to the closure of the pit, unless authorization is provided for disposal via alternate pit closure methods (e.g. solidification).

The reserve and/or completion pit will be lined with a synthetic material 30 mil or thicker liner. The bottom and side walls of the pit will be void of any sharp rocks that could puncture the liner. The liner will be installed over smooth fill subgrade that is free of pockets, loose rocks, or other materials (i.e. sand, sifted dirt, bentonite, straw, etc.) that could damage the liner. After evaporation and when dry, the reserve pit liners will be cut off, ripped and/or folded back (as safety considerations allow) as near to the mud surface as possible and buried on location or hauled to a landfill prior to backfilling the pit with a minimum of five feet of soil material.

Where necessary and if conditions allow, produced liquids from newly completed wells may be temporarily disposed of into pits for a period not to exceed 90 days as per Onshore Order Number 7 (OSO 7). Subsequently, permanent approved produced water disposal methods will be employed in accordance with OSO 7 and/or as described in a Water Management Plan (WMP). Revisions to the water source or method of transportation will be subject to written approval from the BLM.

Any additional pits necessary for subsequent operations, such as temporary flare or workover pits, will be contained within the originally approved well pad and disturbance boundaries. Such temporary pits will be backfilled and reclaimed within 180 days of completion of work at a well location.

Pits containing drilling cuttings, mud, and/or completions fluids will be allowed to dry. Any free fluids remaining after one year from reaching total depth, date of completion, and/or determination of inactivity will be removed (as weather conditions allow) to an approved site and the pit reclaimed. Installation and operation of any sprinklers, pumps, and equipment will ensure that water spray or mist does not drift.

No garbage or non-exempt substances as defined by Resource Conservation and Recovery Act (RCRA) subtitle C will be placed in the reserve pit. All refuse (trash and other solid waste including cans, paper, cable, etc.) generated during construction, drilling, completion, and well testing activities will be contained in an enclosed receptacle, removed from the drill locations promptly, and transported to an approved disposal facility. Immediately after removal of the drilling rig, all debris and other waste materials not contained within trash receptacles will be collected and removed from the well location.

For the protection of livestock and wildlife, all open pits (excluding flare pits) will be fenced or netted to prevent wildlife or livestock entry.

Maximum distance between fence posts shall be no greater than 16 feet. Siphons, catchments, and absorbent pads will be installed to keep hydrocarbons produced by the drilling rig or other equipment on location from entering the reserve pit. Hydrocarbons, contaminated pads, and/or soils will be disposed of in accordance with state and federal requirements.

Portable, self-contained chemical toilets and/or sewage processing facilities will be provided for human waste disposal. Upon completion of operations, or as required, the toilet holding tanks will be pumped and the contents disposed of in an approved sewage disposal facility. All applicable regulations pertaining to disposal of human and solid waste will be observed.

Materials Management

Hazardous materials above reportable quantities will not be produced by drilling or completing proposed wells or constructing the pipelines/facilities. The term "hazardous materials" as used here means: (1) any substance, pollutant, or containment listed as hazardous under the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) of 1980, as amended 42 U.S.C. 9601 et seq., and the regulations issued under CERCLA; and (2) any hazardous waste as defined in RCRA of 1976, as amended. In addition, no extremely hazardous substance, as defined in 40 CFR 355, in threshold planning quantities, would be used, produced, stored, transported, or disposed of while producing any well.

Hazardous materials may be contained in some grease or lubricants, solvents, acids, paint, and herbicides, among others as defined above. Kerr-McGee maintains a file, per 29 CFR 1910.1200 (g) containing current Material Safety Data Sheets (MSDS) for all chemicals, compounds, and/or

substances that are used during the course of construction, drilling, completion, and production operations for this project. The transport, use, storage and handling of hazardous materials will follow procedures specified by federal and state regulations. Transportation of hazardous materials to the well location is regulated by the Department of Transportation (DOT) under 49 CFR, Parts 171-180. DOT regulations pertain to the packing, container handling, labeling, vehicle placarding, and other safety aspects.

Potentially hazardous materials used in the development or operation of wells will be kept in limited quantities on well sites and at the production facilities for short periods of time. Chemicals meeting the criteria for being an acutely hazardous material/substance or meet the quantities criteria per BLM Instruction Memorandum No. 93-344 will not be used. Chemicals subject to reporting under Title III of the Superfund Amendments and Reauthorization Act (SARA) in quantities of 10,000 pounds or more may be produced and/or stored at production facilities (crude oil/condensate, produced water). They may also be kept in limited quantities on drilling sites (barite, diesel fuel, cement, cottonseed hulls etc.) for short periods of time during drilling or completion activities.

Any produced water separated from recoverable condensate during well operations will be contained in a water tank and will then be transported by pipeline and/or truck to one of the pre-approved disposal sites:

RNI in Sec. 5 T9S R22E
 NBU #159 in Sec. 35 T9S R21E
 Ace Oilfield in Sec. 2 T6S R20E
 MC&MC in Sec. 12 T6S R19E
 Pipeline Facility in Sec. 36 T9S R20E
 Goat Pasture Evaporation Pond in SW/4 Sec. 16 T10S R22E
 Bonanza Evaporation Pond in Sec. 2 T10S R23E

Or to one of the following Kerr-McGee active Salt Water Disposal (SWD) wells:

NBU 159 SWD in Sec. 35 T9S R21E
 CIGE 112D SWD in Sec. 19 T9S R21E
 CIGE 114 SWD in Sec. 34 T9S R21E
 NBU 921-34K SWD in Sec. 34 T9S R21E
 NBU 921-33F SWD in Sec. 34 T9S R21E

H. Ancillary Facilities:

If additional ancillary facilities are planned they will be depicted on site specific APDs.

I. Well Site Layout:

The location, orientation and aerial extent of each drill pad, reserve/completion/flare pit (for closed loop or non-closed loop operations), access road ingress/egress points, drilling rig,

dikes/ditches, existing wells/infrastructure, proposed cuts and fills, and topsoil and spoil material stockpile locations are depicted on the exhibits for each project, where applicable.

Site-specific conditions may require slight deviation in actual equipment depending on whether a closed loop system is used. Surface distance may be less if using closed loop. But in either case, the area of disturbance will not exceed the maximum disturbance outlined in the attached exhibits of the individual APDs.

Each well will utilize either a centralized tank battery, centralized fluids management system, or have tanks installed on its pad. Production/Produced Liquid tanks will be constructed, maintained, and operated to prevent unauthorized surface or subsurface discharges of liquids and to prevent livestock or wildlife entry. The tanks will be kept reasonably free from surface accumulations of liquid hydrocarbons. The tanks are not to be used for disposal of liquids from additional sources without prior approval of BLM.

J. Plans for Surface Reclamation:

The surface reclamation will be undertaken in two phases: interim and final. Interim reclamation is conducted following well completion and extends through the period of production. Interim reclamation is for the area of the well pad that is not required for production activities. Final reclamation is conducted following well plugging/conversion and/or facility abandonment processes.

Reclamation activities in both phases may include but is not limited to the re-contouring or re-configuration of topographic surfaces, restoration of drainage systems, segregation of spoils materials, minimizing surface disturbance, re-evaluating backfill requirements, pit closure, topsoil redistribution, soil treatments, seeding and weed control.

Interim Reclamation

Interim reclamation may include pit evaporation, fluid removal, pit solidification, re-contouring, incorporation of cuttings, ripping, spreading top soil, seeding, and/or weed control. Interim reclamation will be performed in accordance with OSO 1, or written notification will be provided to the BLM for approval. Where feasible, drilling locations, reserve pits, or access routes not utilized for production operations will be re-contoured to a natural appearance.

Interim re-contouring involves bringing all construction material from cuts and fills back onto the well pad and site and reestablishing the natural contours where desirable and practical. Fill and stockpiled spoils no longer necessary to the operation will be spread on the cut slopes and covered with stockpiled topsoil. Stockpiled drill cuttings may also be incorporated into the spoils, recontoured, and covered with stockpiled topsoil. All stockpiled top soils will be used for interim reclamation where practical to maintain soil viability. Where possible, the land surface

will be left “rough” after re-contouring to ensure that the maximum surface area will be available to support the reestablishment of vegetative cover.

A reserve pit, upon being allowed to dry, will be backfilled and compacted with cover materials that are void of any topsoil, vegetation, large stones, rocks or foreign objects. Soils that are moisture laden, saturated, or partially/completely frozen will not be used for backfill or cover. The pit area will be mounded to allow for settling and to promote positive surface drainage away from the pit. Disposal of pit fluids and linings is discussed in Section G.

Final Reclamation

Final reclamation will be performed for unproductive wells and after the end of the life of a productive well. As soon as practical after the conclusion of drilling and testing operations, unproductive drill holes will be plugged and abandoned (P&A). Site and road reclamation will commence following plugging. In no case will reclamation at non-producing locations be initiated later than six (6) months from the date a well is plugged. A joint inspection of the disturbed area to be reclaimed may be requested by Kerr-McGee. The primary purpose of this inspection will be to review the existing conditions, or agree upon a revised final reclamation and abandonment plan. The BLM will be notified prior to commencement of reclamation operations. A Notice of Intent to Abandon will be filed for final recommendations regarding surface reclamation.

After plugging, all wellhead equipment that is no longer needed will be removed, and the well site will be reclaimed. Final contouring will blend with and follow as close as practical the natural terrain and contours of the original site and surrounding areas. After re-contouring the site and prior to replacing topsoil, final grading and site preparation will be conducted over the entire surface of the well site and access road. The area will be ripped to a depth of 18 to 24 inches on 18 to 24-inch centers and the surface soil material will be uniformly pitted with longitudinal depressions perpendicular to the natural flow of water where practical. Following site preparation, topsoil will be spread on the location and prepared for seeding.

Reclamation of roads will be performed at the discretion of the BLM. All unnecessary surface equipment and structures (e.g. cattle guards) and water control structures (e.g. culverts, drainage pipes) not needed to facilitate successful reclamation will be removed during final reclamation. Roads that will be reclaimed will be ripped to a depth of 18 to 24 inches where practical, re-contoured to approximate the original contour of the ground and seeded in accordance with the seeding specifications of the BLM.

Upon successfully completing reclamation of a P&A location, a Final Abandonment Notice will be submitted to the BLM.

Measures Common to Interim and Final Reclamation

Soil tillage will be conducted using a disk in areas needing additional seedbed preparation following site preparation. This will provide primary soil tillage to a depth no greater than 6 inches. Prior to reseeding, compacted areas will be scarified by ripping or chiseling to loosen

compacted soils, promote water infiltration, and improve soil aeration and root penetration.

Seeding will occur in the fall and will typically be accomplished through the use of a no-till rangeland style seed drill with a “picker box.” Additionally an imprinter seeder may be used. An imprinter seeder creates divots to roughen the surface and collect moisture to aid in seed germination. Seed mixes appropriate to the native plant community as determined and specified for each project location based on the site specific soils will be used for re-vegetation. The seed mixes will be selected from a list provided by or approved by the BLM, or a specific seed mix will be proposed by Kerr-McGee to the BLM and used after its approval. The selected specific seed mix for each well location and road segment will be utilized while performing interim and final reclamation for each project. All seed will be certified and tags will be maintained by Kerr-McGee. Every effort will be made to obtain “cheat grass free seed” and noxious weed free seed.

Seed Mix to be used for Well Site, Access Road, and Pipeline (as applicable):

<u>Bonanza Area Mix:</u>	<u>Pure Live Seed lbs/acre</u>
Crested Wheat (Hycrest)	2
Bottlebrush Squirreltail	1
Western Wheatgrass (Arriba)	1
Indian Ricegrass	1
Fourwing Saltbush	2
Shadscale	2
Forage Kochia	0.25
Rocky Mountain Bee Plant	0.5
Total	9.75

<u>Natural Buttes Area Mix Option 1:</u>	<u>Pure Live Seed lbs/acre</u>
Indian Ricegrass (Nezpar)	3
Sandberg bluegrass	0.75
Bottlebrush squirreltail	1
Great Basin Wildrye	0.5
Crested wheatgrass (Ephraim)	1.5
Winterfat	0.25
Shadscale	1.5
Four-wing saltbush	0.75
Forage Kochia	0.25
Total	9.5

<u>Natural Buttes Area Mix Option 2:</u>	<u>Pure Live Seed lbs/acre</u>
Great Basin Wildrye	2.5
Indian Ricegrass (Nezpar)	0.5

Crested Wheatgrass	2
Siberian Wheatgrass	2
Bottlebrush Squirreldail	1
Munro Globemallow	0.5
Palmer Penstemon	0.1
Rocky Mtn beeplant	0.5
Western yarrow	0.1
Shadscale	0.5
Forage Kochia	0.5
Total	10.2

Additional soil amendments and/or stabilization may be required on sites with poor soils and/or excessive erosion potential. Where severe erosion can become a problem and/or the use of machinery is not practical, seed will be hand broadcast and raked with twice the specified amount of seed. Slopes will be stabilized using materials specifically designed to prevent erosion on steep slopes and hold seed in place so vegetation can become permanently established. These materials will include, but are not limited to: erosion control blankets, hydro-mulch, and/or bonded fiber matrix at a rate to achieve a minimum of 80 percent soil coverage. Soil amendments such as "Sustain" (an organic fertilizer that will be applied at the rate 1,800 – 2,100 lbs/acre with seed) may also be dry broadcast or applied with hydro-seeding equipment.

Weed Control

All weed management will be done in accordance with the Vernal BLM Surface Disturbance Weed Policy. Noxious weeds will be controlled, as applicable, on project areas. Monitoring and management of noxious and/or invasive weeds of concern will be completed annually until the project is deemed successfully reclaimed by the surface management agency and/or owner according to the Anadarko Integrated Weed Management Plan. Noxious weed infestations will be mapped using a GPS unit and submitted to the BLM with information required in the Vernal BLM Surface Disturbance Weed Policy. If herbicide is to be applied it will be done according to an approved Pesticide Use Proposal (PUP), inclusive of applicable locations. All pesticide applications will be recorded using a Pesticide Application Record (PAR) and will be submitted along with a Pesticide Use Report (PUR) annually prior to Dec. 31.

Monitoring

Monitoring of reclaimed project areas will be completed annually during the growing season and actions to ensure reclamation success will be taken as needed. During the first two growing seasons an ocular methodology will be used to determine the success of the reclamation activities. During the 3rd growing season a 200 point line intercept (quantitative) methodology will be used to obtain basal cover. The goal is to have the reclaimed area reach 30% basal cover when compared to the reference site. If after three growing seasons the area has not reached 30% basal cover, additional reclamation activities may be necessary. Monitoring will continue until

the reclaimed area reaches 75% basal cover of desirable vegetation when compared to the reference site. (Green River District Reclamation Guidelines).

All monitoring reports will be submitted electronically to the Vernal BLM in the form of a geo-database no later than March 1st of the calendar year following the data collection.

K. Surface/Mineral Ownership:

Depicted on site specific APDs.

L. Other Information:

Cultural and Paleontological Resources

All personnel are strictly prohibited from collecting artifacts, any paleontological specimens or fossils, and from disturbing any significant cultural resources in the area. If artifacts, fossils, or any culturally sensitive materials are exposed or identified in the area of construction, all construction operations that would affect the newly discovered resource will cease, and Kerr-McGee will provide immediate notification to the BLM or appropriate SMA.

Resource Reports

Appropriate archaeological and paleontological reconnaissance surveys and biological field surveys will be completed and provide to the BLM for individual APDs.

Proposed Action Annual Emissions Tables:

Appendix A through E contains the emission table per pad based on well count.

M. Lessee's or Operators' Representative & Certification:

Depicted on site specific APDs.

Appendix A:**Proposed Action Annual Emissions Tables: 4 Well Pad**

Table 1: Proposed Action Annual Emissions (tons/year)¹			
Pollutant	Development	Production	Total
NO _x	3.8	1.29	5.09
CO	2.2	1.08	3.28
VOC	0.1	15.00	15.10
SO ₂	0.005	0.01	0.02
PM ₁₀	1.7	0.11	1.81
PM _{2.5}	0.4	0.05	0.45
Benzene	2.2E-03	0.12	0.12
Toluene	1.6E-03	0.20	0.20
Ethylbenzene	3.4E-04	0.01	0.01
Xylene	1.1E-03	0.09	0.09
n-Hexane	1.7E-04	0.51	0.51
Formaldehyde	1.3E-02	1.30E-04	1.31E-02

¹ Emissions include 1 producing well and associated operations traffic during the year in which the project is developed

Table 2: Proposed Action versus 2012 WRAP Phase III Emissions Inventory Comparison			
Species	Proposed Action Production Emissions (ton/yr)	WRAP Phase III 2012 Uintah Basin Emission Inventory^a (ton/yr)	Percentage of Proposed Action to WRAP Phase III
NO _x	5.09	16,547	0.031%
VOC	15.10	127,495	0.012%

^a http://www.wrapair.org/forums/ogwg/PhaseIII_Inventory.html

Uintah Basin
Data

Appendix B:**Proposed Action Annual Emissions Tables: 5 Well Pad**

Table 1: Proposed Action Annual Emissions (tons/year)¹			
Pollutant	Development	Production	Total
NO _x	3.8	1.61	5.41
CO	2.2	1.35	3.55
VOC	0.1	18.75	18.85
SO ₂	0.005	0.01	0.02
PM ₁₀	1.7	0.14	1.84
PM _{2.5}	0.4	0.06	0.46
Benzene	2.2E-03	0.15	0.15
Toluene	1.6E-03	0.24	0.25
Ethylbenzene	3.4E-04	0.01	0.01
Xylene	1.1E-03	0.11	0.11
n-Hexane	1.7E-04	0.64	0.64
Formaldehyde	1.3E-02	1.62E-04	1.32E-02

¹ Emissions include 1 producing well and associated operations traffic during the year in which the project is developed

Table 2: Proposed Action versus 2012 WRAP Phase III Emissions Inventory Comparison			
Species	Proposed Action Production Emissions (ton/yr)	WRAP Phase III 2012 Uintah Basin Emission Inventory^a (ton/yr)	Percentage of Proposed Action to WRAP Phase III
NO _x	5.41	16,547	0.033%
VOC	18.85	127,495	0.015%

^a http://www.wrapair.org/forums/ogwg/PhaseIII_Inventory.html

Uintah Basin
Data

Appendix C:**Proposed Action Annual Emissions Tables: 6 Well Pad**

Table 1: Proposed Action Annual Emissions (tons/year)¹			
Pollutant	Development	Production	Total
NOx	3.8	1.94	5.74
CO	2.2	1.62	3.82
VOC	0.1	22.50	22.60
SO ₂	0.005	0.02	0.02
PM ₁₀	1.7	0.17	1.87
PM _{2.5}	0.4	0.07	0.47
Benzene	2.2E-03	0.18	0.18
Toluene	1.6E-03	0.29	0.29
Ethylbenzene	3.4E-04	0.02	0.02
Xylene	1.1E-03	0.14	0.14
n-Hexane	1.7E-04	0.77	0.77
Formaldehyde	1.3E-02	1.94E-04	1.32E-02

¹ Emissions include 1 producing well and associated operations traffic during the year in which the project is developed

Table 2: Proposed Action versus 2012 WRAP Phase III Emissions Inventory Comparison			
Species	Proposed Action Production Emissions (ton/yr)	WRAP Phase III 2012 Uintah Basin Emission Inventory^a (ton/yr)	Percentage of Proposed Action to WRAP Phase III
NOx	5.74	16,547	0.035%
VOC	22.60	127,495	0.018%

^a http://www.wrapair.org/forums/ogwg/PhaseIII_Inventory.html

Uintah Basin
Data

Appendix D:**Proposed Action Annual Emissions Tables: 7 Well Pad**

Table 1: Proposed Action Annual Emissions (tons/year)¹			
Pollutant	Development	Production	Total
NO _x	3.8	2.26	6.06
CO	2.2	1.89	4.09
VOC	0.1	26.25	26.35
SO ₂	0.005	0.02	0.02
PM ₁₀	1.7	0.19	1.89
PM _{2.5}	0.4	0.08	0.48
Benzene	2.2E-03	0.21	0.21
Toluene	1.6E-03	0.34	0.34
Ethylbenzene	3.4E-04	0.02	0.02
Xylene	1.1E-03	0.16	0.16
n-Hexane	1.7E-04	0.89	0.89
Formaldehyde	1.3E-02	2.27E-04	1.32E-02

¹ Emissions include 1 producing well and associated operations traffic during the year in which the project is developed

Table 2: Proposed Action versus 2012 WRAP Phase III Emissions Inventory Comparison			
Species	Proposed Action Production Emissions (ton/yr)	WRAP Phase III 2012 Uintah Basin Emission Inventory^a (ton/yr)	Percentage of Proposed Action to WRAP Phase III
NO _x	6.06	16,547	0.037%
VOC	26.35	127,495	0.021%

^a http://www.wrapair.org/forums/ogwg/PhaseIII_Inventory.html

Uintah Basin
Data

Appendix E:**Proposed Action Annual Emissions Tables: 8 Well Pad**

Table 1: Proposed Action Annual Emissions (tons/year)¹			
Pollutant	Development	Production	Total
NOx	3.8	2.58	6.38
CO	2.2	2.16	4.36
VOC	0.1	30.00	30.10
SO ₂	0.005	0.02	0.03
PM ₁₀	1.7	0.22	1.92
PM _{2.5}	0.4	0.09	0.49
Benzene	2.2E-03	0.24	0.24
Toluene	1.6E-03	0.39	0.39
Ethylbenzene	3.4E-04	0.02	0.02
Xylene	1.1E-03	0.18	0.18
n-Hexane	1.7E-04	1.02	1.02
Formaldehyde	1.3E-02	2.59E-04	1.33E-02

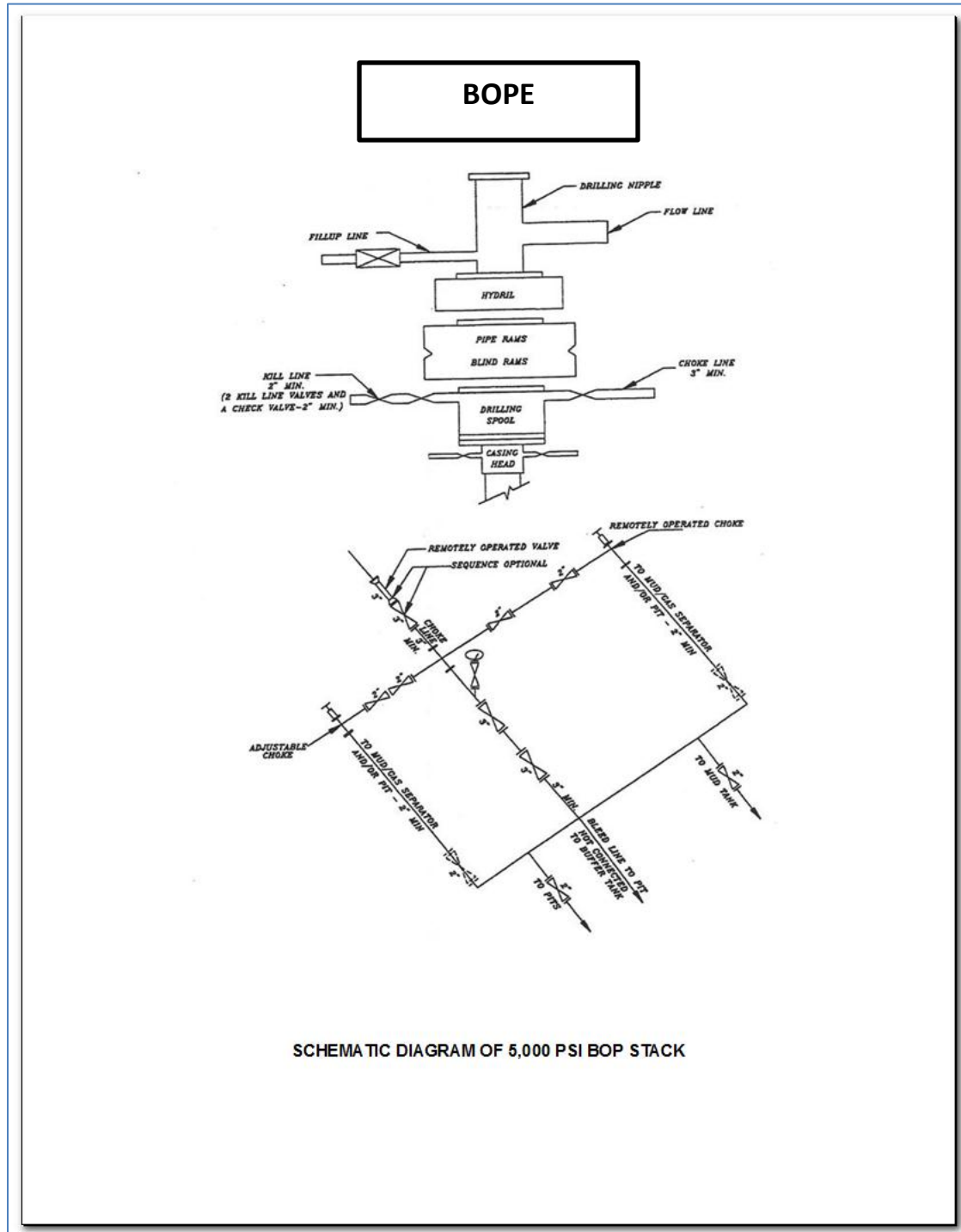
¹ Emissions include 1 producing well and associated operations traffic during the year in which the project is developed

Table 2: Proposed Action versus 2012 WRAP Phase III Emissions Inventory Comparison			
Species	Proposed Action Production Emissions (ton/yr)	WRAP Phase III 2012 Uintah Basin Emission Inventory^a (ton/yr)	Percentage of Proposed Action to WRAP Phase III
NOx	6.38	16,547	0.039%
VOC	30.10	127,495	0.024%

^a http://www.wrapair.org/forums/ogwg/PhaseIII_Inventory.html

Uintah Basin
Data

Appendix F: Pressure Control Equipment Schematic



END

United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office
440 West 200 South, Suite 500
Salt Lake City, UT 84101

IN REPLY REFER TO:
3160
(UT-922)

September 3, 2013

Memorandum

To: Assistant Field Office Manager Minerals,
Vernal Field Office

From: Michael Coulthard, Petroleum Engineer

Subject: 2013 Plan of Development South Red Wash Unit
Uintah County, Utah.

Pursuant to email between Diana Mason, Division of Oil, Gas and Mining, and Mickey Coulthard, Utah State Office, Bureau of Land Management, the following wells are planned for calendar year 2013 within the South Red Wash Unit, Uintah County, Utah.

API #	WELL NAME	LOCATION
Proposed PZ GREEN RIVER)		
43-047-53973	SRW 823-10G GR	Sec 10 T08S R23E 2015 FNL 1923 FEL
43-047-53974	SRW 823-03O GR	Sec 03 T08S R23E 0502 FSL 1932 FEL
43-047-53983	SRW 823-10B GR	Sec 10 T08S R23E 0672 FNL 1900 FEL
(Proposed PZ BLACKHAWK)		
43-047-53976	SRW 823-13G1CS	Sec 13 T08S R23E 1210 FNL 2429 FEL
	BHL	Sec 13 T08S R23E 1812 FNL 1817 FEL
43-047-53977	SRW 823-22A1CS	Sec 15 T08S R23E 0078 FSL 1634 FEL
	BHL	Sec 22 T08S R23E 0497 FNL 0483 FEL
43-047-53978	SRW 823-13L1CS	Sec 13 T08S R23E 2538 FNL 1308 FWL
	BHL	Sec 13 T08S R23E 2146 FSL 0824 FWL
43-047-53979	SRW 823-21K4BS	Sec 21 T08S R23E 1548 FSL 2252 FEL
	BHL	Sec 21 T08S R23E 1822 FSL 2139 FWL
43-047-53980	SRW 823-22H1CS	Sec 22 T08S R23E 2217 FNL 1899 FEL
	BHL	Sec 22 T08S R23E 1817 FNL 0498 FEL
43-047-53981	SRW 823-23H1CS	Sec 23 T08S R23E 1870 FNL 0552 FEL
	BHL	Sec 23 T08S R23E 1819 FNL 0494 FEL
43-047-53982	SRW 823-22N1CS	Sec 22 T08S R23E 1604 FSL 2212 FWL
	BHL	Sec 22 T08S R23E 0814 FSL 2139 FWL

RECEIVED: September 03, 2013

This office has no objection to permitting the wells at this time.

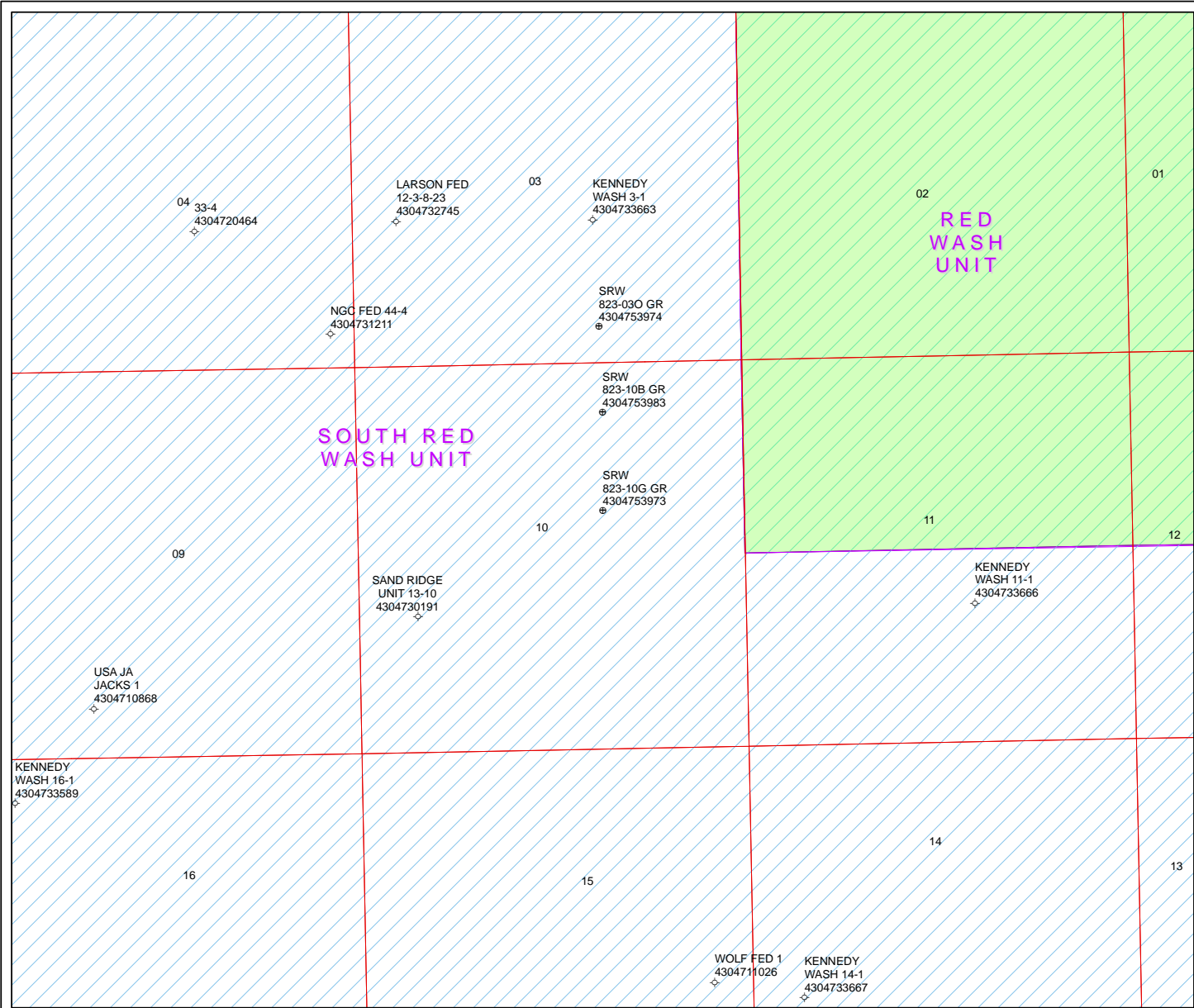
Michael
Coulthard

Digitally signed by Michael Coulthard
DN: cn=Michael Coulthard, o=Bureau of
Land Management, ou=Division of
Minerals, email=mcoultha@blm.gov,
c=US
Date: 2013.09.03 11:48:13 -06'00'

bcc: File - South Red Wash
Division of Oil Gas and Mining
Central Files
Agr. Sec. Chron
Fluid Chron

MCoulthard:mc:9-3-13

RECEIVED: September 03, 2013



API Number: 4304753973
Well Name: SRW 823-10G GR

Township: T08.0S Range: R23.0E Section: 10 Meridian: S
Operator: KERR-MCGEE OIL & GAS ONSHORE, L.P.

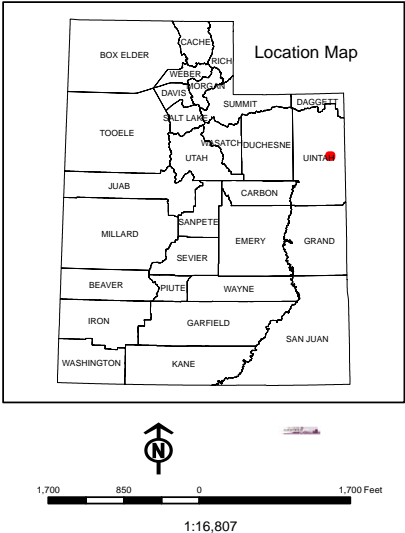
Map Prepared: 10/2/2013
Map Produced by Diana Mason

Wells Query
Status

- APD - Approved Permit
- DRL - Spudded (Drilling Commenced)
- GIW - Gas Injection
- GS - Gas Storage
- LOC - New Location
- OPS - Operation Suspended
- PA - Plugged Abandoned
- PGW - Producing Gas Well
- POW - Producing Oil Well
- SGW - Shut-in Gas Well
- SOW - Shut-in Oil Well
- TA - Temp. Abandoned
- TW - Test Well
- WOW - Water Disposal
- WW - Water Injection Well
- WSW - Water Supply Well

Units
STATUS

- ACTIVE
- EXPLORATORY
- GAS STORAGE
- NF PP OIL
- NF SECONDARY
- PI OIL
- PP GAS
- PP GEOTHERML
- PP OIL
- SECONDARY
- TERMINATED



WORKSHEET APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 8/7/2013

API NO. ASSIGNED: 43047539730000

WELL NAME: SRW 823-10G GR

OPERATOR: KERR-MCGEE OIL & GAS ONSHORE, L.P. (N2995)

PHONE NUMBER: 720 929-6029

CONTACT: Cara Mahler

PROPOSED LOCATION: SWNE 10 080S 230E

Permit Tech Review: ☒

SURFACE: 2015 FNL 1923 FEL

Engineering Review: ☐

BOTTOM: 2015 FNL 1923 FEL

Geology Review: ☒

COUNTY: UINTAH

LATITUDE: 40.13884

LONGITUDE: -109.31068

UTM SURF EASTINGS: 643911.00

NORTHINGS: 4444535.00

FIELD NAME: NATURAL BUTTES

LEASE TYPE: 1 - Federal

LEASE NUMBER: UTU-071423

PROPOSED PRODUCING FORMATION(S): GREEN RIVER

SURFACE OWNER: 1 - Federal

COALBED METHANE: NO

RECEIVED AND/OR REVIEWED:

☒ PLAT☒ Bond: FEDERAL - WYB000291☐ Potash☐ Oil Shale 190-5☐ Oil Shale 190-3☐ Oil Shale 190-13☒ Water Permit: 43-8496☐ RDCC Review:☐ Fee Surface Agreement☐ Intent to Commingle

Commingle Approved

LOCATION AND SITING:

☐ R649-2-3.

Unit: SOUTH RED WASH

☐ R649-3-2. General☐ R649-3-3. Exception☒ Drilling Unit

Board Cause No: R649-3-2

Effective Date:

Siting:

☐ R649-3-11. Directional Drill

Comments: Presite Completed

Stipulations: 4 - Federal Approval - dmason
23 - Spacing - dmason

RECEIVED: October 07, 2013



GARY R. HERBERT
Governor

GREGORY S. BELL
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

Permit To Drill

Well Name: SRW 823-10G GR
API Well Number: 43047539730000
Lease Number: UTU-071423
Surface Owner: FEDERAL
Approval Date: 10/7/2013

Issued to:

KERR-MCGEE OIL & GAS ONSHORE, L.P., P.O. Box 173779, Denver, CO 80217

Authority:

Pursuant to Utah Code Ann. 40-6-1 et seq., and Utah Administrative Code R649-3-1 et seq., the Utah Division of Oil, Gas and Mining issues conditions of approval, and permit to drill the listed well. This permit is issued in accordance with the requirements of R649-3-2. The expected producing formation or pool is the GREEN RIVER Formation(s), completion into any other zones will require filing a Sundry Notice (Form 9). Completion and commingling of more than one pool will require approval in accordance with R649-3-22.

Duration:

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date

General:

Compliance with the requirements of Utah Admin. R. 649-1 et seq., the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

Conditions of Approval:

State approval of this well does not supercede the required federal approval, which must be obtained prior to drilling.

This proposed well is located in an area for which drilling units (well spacing patterns) have not been established through an order of the Board of Oil, Gas and Mining (the "Board"). In order to avoid the possibility of waste or injury to correlative rights, the operator is requested, once the well has been drilled, completed, and has produced, to analyze geological and engineering data generated therefrom, as well as any similar data from surrounding areas if available. As soon as is practicable after completion of its analysis, and if the analysis suggests an area larger than the quarter-quarter section upon which the well is located is being drained, the operator is requested to seek an appropriate order from the Board establishing drilling and spacing units in conformance with such analysis by filing a Request for Agency Action with the Board.

Notification Requirements:

The operator is required to notify the Division of Oil, Gas and Mining of the following actions during drilling of this well:

- Within 24 hours following the spudding of the well - contact Carol Daniels at 801-538-5284

(please leave a voicemail message if not available)

OR

submit an electronic sundry notice (pre-registration required) via the Utah Oil & Gas website

at <http://oilgas.ogm.utah.gov>

Reporting Requirements:

All reports, forms and submittals as required by the Utah Oil and Gas Conservation General Rules will be promptly filed with the Division of Oil, Gas and Mining, including but not limited to:

- Entity Action Form (Form 6) - due within 5 days of spudding the well
- Monthly Status Report (Form 9) - due by 5th day of the following calendar month
- Requests to Change Plans (Form 9) - due prior to implementation
- Written Notice of Emergency Changes (Form 9) - due within 5 days
- Notice of Operations Suspension or Resumption (Form 9) - due prior to implementation
- Report of Water Encountered (Form 7) - due within 30 days after completion
- Well Completion Report (Form 8) - due within 30 days after completion or plugging

Approved By:

A handwritten signature in black ink, appearing to read "John Rogers", written over a horizontal line.

For John Rogers
Associate Director, Oil & Gas

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-071423
1. TYPE OF WELL Oil Well		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
2. NAME OF OPERATOR: KERR-MCGEE OIL & GAS ONSHORE, L.P.		7. UNIT or CA AGREEMENT NAME: SOUTH RED WASH
3. ADDRESS OF OPERATOR: P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779		8. WELL NAME and NUMBER: SRW 823-10G GR
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2015 FNL 1923 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SWNE Section: 10 Township: 08.0S Range: 23.0E Meridian: S		9. API NUMBER: 43047539730000
PHONE NUMBER: 720 929-6100		9. FIELD and POOL or WILDCAT: KENNEDY WASH
COUNTY: UINTAH		STATE: UTAH
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA		
TYPE OF SUBMISSION	TYPE OF ACTION	
<input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: 11/24/2014 <input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: <input type="checkbox"/> SPUD REPORT Date of Spud: <input type="checkbox"/> DRILLING REPORT Report Date:	<div style="display: flex; flex-wrap: wrap;"> <div style="width: 33%;"> <input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION </div> <div style="width: 33%;"> <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER </div> <div style="width: 33%;"> <input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input checked="" type="checkbox"/> APD EXTENSION OTHER: <input style="width: 100px;" type="text"/> </div> </div>	
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc. Kerr-McGee Oil & Gas Onshore, L.P. (Kerr-McGee) respectfully requests an extension to this APD for the maximum time allowed. Please contact the undersigned with any questions and/or comments. Thank you.		
<div style="color: red; font-weight: bold;"> Approved by the November 25, 2014 Oil, Gas and Mining </div> <div style="color: red; font-weight: bold;"> Date: _____ By: </div>		
NAME (PLEASE PRINT) Joel Malefy		PHONE NUMBER 720 929-6828
SIGNATURE N/A		TITLE Regulatory Analyst
DATE 11/24/2014		



The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Request for Permit Extension Validation Well Number 43047539730000

API: 43047539730000

Well Name: SRW 823-10G GR

Location: 2015 FNL 1923 FEL QTR SWNE SEC 10 TWP 080S RNG 230E MER S

Company Permit Issued to: KERR-MCGEE OIL & GAS ONSHORE, L.P.

Date Original Permit Issued: 10/7/2013

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision. Following is a checklist of some items related to the application, which should be verified.

- If located on private land, has the ownership changed, if so, has the surface agreement been updated? ☒ Yes ☐ No
- Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? ☐ Yes ☒ No
- Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? ☐ Yes ☒ No
- Have there been any changes to the access route including ownership, or rightof- way, which could affect the proposed location? ☐ Yes ☒ No
- Has the approved source of water for drilling changed? ☐ Yes ☒ No
- Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? ☐ Yes ☒ No
- Is bonding still in place, which covers this proposed well? ☒ Yes ☐ No

Signature: Joel Malefyt

Date: 11/24/2014

Title: Regulatory Analyst Representing: KERR-MCGEE OIL & GAS ONSHORE, L.P.

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-071423
1. TYPE OF WELL Oil Well		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
2. NAME OF OPERATOR: KERR-MCGEE OIL & GAS ONSHORE, L.P.		7. UNIT or CA AGREEMENT NAME: SOUTH RED WASH
3. ADDRESS OF OPERATOR: P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779		8. WELL NAME and NUMBER: SRW 823-10G GR
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2015 FNL 1923 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SWNE Section: 10 Township: 08.0S Range: 23.0E Meridian: S		9. API NUMBER: 43047539730000
PHONE NUMBER: 720 929-6111		9. FIELD and POOL or WILDCAT: KENNEDY WASH
COUNTY: UINTAH		STATE: UTAH
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA		
TYPE OF SUBMISSION	TYPE OF ACTION	
<input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: 8/26/2015 <input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: <input type="checkbox"/> SPUD REPORT Date of Spud: <input type="checkbox"/> DRILLING REPORT Report Date:	<div style="display: flex; flex-wrap: wrap;"> <div style="width: 33%;"> <input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION </div> <div style="width: 33%;"> <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER </div> <div style="width: 33%;"> <input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input checked="" type="checkbox"/> APD EXTENSION OTHER: <input style="width: 100%;" type="text"/> </div> </div>	
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc. Kerr-McGee Oil & Gas Onshore, L.P. (Kerr-McGee) respectfully requests an extension to this APD for the maximum time allowed. Please contact the undersigned with any questions and/or comments. Thank you.		
<div style="color: red; font-weight: bold;"> Approved by the August 27, 2015 Oil, Gas and Mining </div> <div style="margin-top: 10px;"> Date: _____ By: </div>		
NAME (PLEASE PRINT) Jennifer Thomas		PHONE NUMBER 720 929-6808
SIGNATURE N/A		TITLE Regulatory Specialist
DATE 8/26/2015		



The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Request for Permit Extension Validation Well Number 43047539730000

API: 43047539730000

Well Name: SRW 823-10G GR

Location: 2015 FNL 1923 FEL QTR SWNE SEC 10 TWP 080S RNG 230E MER S

Company Permit Issued to: KERR-MCGEE OIL & GAS ONSHORE, L.P.

Date Original Permit Issued: 10/7/2013

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision. Following is a checklist of some items related to the application, which should be verified.

- If located on private land, has the ownership changed, if so, has the surface agreement been updated? ☒ Yes ☐ No
- Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? ☐ Yes ☒ No
- Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? ☐ Yes ☒ No
- Have there been any changes to the access route including ownership, or rightof- way, which could affect the proposed location? ☐ Yes ☒ No
- Has the approved source of water for drilling changed? ☐ Yes ☒ No
- Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? ☐ Yes ☒ No
- Is bonding still in place, which covers this proposed well? ☒ Yes ☐ No

Signature: Jennifer Thomas

Date: 8/26/2015

Title: Regulatory Specialist Representing: KERR-MCGEE OIL & GAS ONSHORE, L.P.

Division of Oil, Gas and Mining

Operator Change/Name Change Worksheet-for State use only

Effective Date: 9/8/2015

FORMER OPERATOR:	NEW OPERATOR:
KERR MCGEE OIL & GAS ONSHORE, LP PO BOX 173779 DENVER CO 80217	QEP ENERGY COMPANY INDEPENDENCE PLAZA 1050 17TH STREET STE 500 DENVER CO 80265
CA Number(s):	Unit(s):Mulligan South Red Wash

WELL INFORMATION:

Well Name	Sec	TWN	RNG	API	Entity	Mineral	Surface	Type	Status
See Attached List									

OPERATOR CHANGES DOCUMENTATION:

1. Sundry or legal documentation was received from the **FORMER** operator on: 9/22/2015
2. Sundry or legal documentation was received from the **NEW** operator on: 9/22/2015
3. New operator Division of Corporations Business Number: 764611-0143

REVIEW:

1. Surface Agreement Sundry from **NEW** operator on Fee Surface wells received on: N/A
2. Receipt of Acceptance of Drilling Procedures for APD on: 9/22/2015
3. Reports current for Production/Disposition & Sundries: 9/22/2015
4. OPS/SI/TA well(s) reviewed for full cost bonding: N/A
5. UIC5 on all disposal/injection/storage well(s) approved on: N/A
6. Surface Facility(s) included in operator change: None
7. Inspections of PA state/fee well sites complete on (only upon operators request): N/A

NEW OPERATOR BOND VERIFICATION:

1. Federal well(s) covered by Bond Number: ESB000024
2. Indian well(s) covered by Bond Number: N/A
3. State/fee well(s) covered by Bond Number(s): N/A

DATA ENTRY:

1. Well(s) update in the **OGIS** on: 9/23/2015
2. Entity Number(s) updated in **OGIS** on: 9/23/2015
3. Unit(s) operator number update in **OGIS** on: 9/23/2015
4. Surface Facilities update in **OGIS** on: N/A
5. State/Fee well(s) attached to bond(s) in **RBDMS** on: N/A
6. Surface Facilities update in **RBDMS** on: N/A

LEASE INTEREST OWNER NOTIFICATION:

1. The **NEW** operator of the Fee (Mineral) wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: N/A

COMMENTS:

From: Kerr-McGee Oil Gas Onshore, L.P.

To: QEP Energy Company

Effective:9/8/2015

Well Name	Sec	TWN	RNG	API	Entity	Mineral	Surface	Type	Status
SRW 823-10G GR	10	08S	23E	4304753973		Federal	Federal	OW	APD
SRW 823-22H1CS	22	08S	23E	4304753980		Federal	Federal	GW	APD
SRW 823-23H1CS	23	08S	23E	4304753981		Federal	Federal	GW	APD
SRW 823-22N1CS	22	08S	23E	4304753982		Federal	Federal	GW	APD
SRW 823-10B GR	10	08S	23E	4304753983		Federal	Federal	OW	APD
SRW 823-13L1CS	13	08S	23E	4304755114		Federal	Federal	GW	APD
SRW 823-21K4BS	21	08S	23E	4304755115		Federal	Federal	GW	APD
KENNEDY WASH 13-1	13	08S	22E	4304733615	12926	Federal	Federal	GW	P
MULLIGAN 822-24H	24	08S	225E	4304737077	15547	Federal	Federal	GW	P
MULLIGAN 822-24G	24	08S	22E	4304737078	15547	Federal	Federal	GW	P



Independence Plaza
1050 17th Street, Suite 500
Denver, CO 80265
Tel: 303.672.6900
Fax: 303.294.9632

September 14, 2015

Utah Division of Oil Gas and Mining
1594 West North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, UT 84114-5801

Attn: Rachel Medina

RE: Request to Transfer Operator (13 wells)
Form 9 Notice of Intent Sundries
Request to Transfer Application or Permit to Drill

RECEIVED
SEP 22 2015
DIV. OF OIL, GAS & MINING

Dear Ms. Medina:

Effective Tuesday, September 8, 2015, Kerr McGee Oil and Gas Onshore, LP sold thirteen wells in the South Redwash Field, Uintah County, UT, to QEP Energy Company. Enclosed please find (in duplicate) Form 9 Notice of Intent Sundry Notices requesting the change of operator, along with associated Request to Transfer Application or Permit to Drill forms for each well.

Upon approval, please send one copy to my attention at the address above and the other copy to Kerr McGee, attention Joel Malefyt. Please see his mailing address listed below:

Kerr McGee Oil and Gas Onshore, LP
Attn: Joel Malefyt
1099 18th Street, Ste. 6000
Denver, CO 80202

If you have any additional questions or concerns, please don't hesitate to contact me at (303) 260-6745 or via email at laura.abrams@qepres.com.

Sincerely,

A handwritten signature in black ink, appearing to read "Laura Abrams", written over a horizontal line.

Laura Abrams
Sr. Regulatory Affairs Analyst

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU71423
2. NAME OF OPERATOR: KERR-MCGEE OIL & GAS ONSHORE, L.P.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: P.O. BOX 173779 CITY DENVER STATE CO ZIP 80217		7. UNIT or CA AGREEMENT NAME: SOUTH RED WASH UNIT
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2015 FNL 1923 FEL		8. WELL NAME and NUMBER: SRW 823-10G GR
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWNE 10 8S 23E S		9. API NUMBER: 4304753973
COUNTY: UINTAH		10. FIELD AND POOL, OR WILDCAT: NATURAL BUTTES
STATE: UTAH		

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: 9/2/2015	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion:	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: TRANSFER OF OPERATOR
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Effective September 2, 2015, Kerr McGee Oil & Gas Onshore, L.P. respectfully requests that the operator be transferred to QEP Energy Company for the above referenced well.

QEP Energy Company will operate the well under Nationwide Federal Bond No. ESB000024 and will comply with all the Conditions of Approval in the approved Application for Permit to Drill.

Michael K. Watanabe
Vice President, Land

RECEIVED

SEP 2 2

DIV. OF OIL, GAS & MINING

NAME (PLEASE PRINT) Matthew T. Miller TITLE Land Manager
SIGNATURE [Signature] DATE 9/2/2015

(This space for State use only)

APPROVED

SEP 23 2015

BY: Rachel McQuinn
DIV. OF OIL, GAS & MINING

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Request to Transfer Application or Permit to Drill

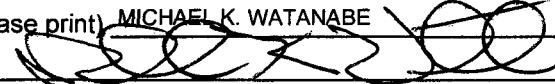
(This form should accompany a Sundry Notice, Form 9, requesting APD transfer)

Well name:	SRW 823-10G GR
API number:	4304753973
Location:	Qtr-Qtr: SWNE Section: 10 Township: 8S Range: 23E
Company that filed original application:	KERR-MCGEE OIL & GAS ONSHORE, L.P.
Date original permit was issued:	10/07/2013
Company that permit was issued to:	KERR-MCGEE OIL & GAS ONSHORE, L.P.

Check one	Desired Action:
<input type="checkbox"/>	Transfer pending (unapproved) Application for Permit to Drill to new operator
<input type="checkbox"/>	The undersigned as owner with legal rights to drill on the property, hereby verifies that the information as submitted in the pending Application for Permit to Drill, remains valid and does not require revision. The new owner of the application accepts and agrees to the information and procedures as stated in the application.
<input checked="" type="checkbox"/>	Transfer approved Application for Permit to Drill to new operator
<input type="checkbox"/>	The undersigned as owner with legal rights to drill on the property as permitted, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.	Yes	No
If located on private land, has the ownership changed?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<input type="checkbox"/> If so, has the surface agreement been updated?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Have there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Have there been any changes to the access route including ownership or right-of-way, which could affect the proposed location?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Has the approved source of water for drilling changed?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Is bonding still in place, which covers this proposed well? Bond No. <u>WYB000291</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Any desired or necessary changes to either a pending or approved Application for Permit to Drill that is being transferred, should be filed on a Sundry Notice, Form 9, or amended Application for Permit to Drill, Form 3, as appropriate, with necessary supporting information as required.

Name (please print) MICHAEL K. WATANABE Title VICE PRESIDENT, LAND
Signature  Date 09/02/2015
Representing (company name) QEP ENERGY COMPANY

The person signing this form must have legal authority to represent the company or individual(s) to be listed as the new operator on the Application for Permit to Drill.

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-071423
1. TYPE OF WELL Oil Well		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
2. NAME OF OPERATOR: QEP ENERGY COMPANY		7. UNIT or CA AGREEMENT NAME: SOUTH RED WASH
3. ADDRESS OF OPERATOR: 11002 East 17500 South, Vernal, Ut, 84078		8. WELL NAME and NUMBER: SRW 823-10G GR
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2015 FNL 1923 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SWNE Section: 10 Township: 08.0S Range: 23.0E Meridian: S		9. API NUMBER: 43047539730000
PHONE NUMBER: 303 595-5919 Ext		9. FIELD and POOL or WILDCAT: KENNEDY WASH
COUNTY: UINTAH		STATE: UTAH

11.

CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION
<input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: 10/7/2017	<div style="display: flex; flex-wrap: wrap;"> <div style="width: 33%;"><input type="checkbox"/> ACIDIZE</div> <div style="width: 33%;"><input type="checkbox"/> ALTER CASING</div> <div style="width: 33%;"><input type="checkbox"/> CASING REPAIR</div> <div style="width: 33%;"><input type="checkbox"/> CHANGE TO PREVIOUS PLANS</div> <div style="width: 33%;"><input type="checkbox"/> CHANGE TUBING</div> <div style="width: 33%;"><input type="checkbox"/> CHANGE WELL NAME</div> <div style="width: 33%;"><input type="checkbox"/> CHANGE WELL STATUS</div> <div style="width: 33%;"><input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS</div> <div style="width: 33%;"><input type="checkbox"/> CONVERT WELL TYPE</div> <div style="width: 33%;"><input type="checkbox"/> DEEPEN</div> <div style="width: 33%;"><input type="checkbox"/> FRACTURE TREAT</div> <div style="width: 33%;"><input type="checkbox"/> NEW CONSTRUCTION</div> <div style="width: 33%;"><input type="checkbox"/> OPERATOR CHANGE</div> <div style="width: 33%;"><input type="checkbox"/> PLUG AND ABANDON</div> <div style="width: 33%;"><input type="checkbox"/> PLUG BACK</div> <div style="width: 33%;"><input type="checkbox"/> PRODUCTION START OR RESUME</div> <div style="width: 33%;"><input type="checkbox"/> RECLAMATION OF WELL SITE</div> <div style="width: 33%;"><input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION</div> <div style="width: 33%;"><input type="checkbox"/> REPERFORATE CURRENT FORMATION</div> <div style="width: 33%;"><input type="checkbox"/> SIDETRACK TO REPAIR WELL</div> <div style="width: 33%;"><input type="checkbox"/> TEMPORARY ABANDON</div> <div style="width: 33%;"><input type="checkbox"/> TUBING REPAIR</div> <div style="width: 33%;"><input type="checkbox"/> VENT OR FLARE</div> <div style="width: 33%;"><input type="checkbox"/> WATER DISPOSAL</div> <div style="width: 33%;"><input type="checkbox"/> WATER SHUTOFF</div> <div style="width: 33%;"><input type="checkbox"/> SI TA STATUS EXTENSION</div> <div style="width: 33%;"><input checked="" type="checkbox"/> APD EXTENSION</div> <div style="width: 33%;"><input type="checkbox"/> WILDCAT WELL DETERMINATION</div> <div style="width: 33%;"><input type="checkbox"/> OTHER</div> </div>
<input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion:	
<input type="checkbox"/> SPUD REPORT Date of Spud:	
<input type="checkbox"/> DRILLING REPORT Report Date:	
<input type="checkbox"/> OTHER: 	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

QEP ENERGY COMPANY HEREBY REQUESTS A ONE YEAR EXTENSION FOR
 THE APD ON THE ABOVE CAPTIONED WELL.

Approved by the
October 30, 2016
Oil, Gas and Mining

Date: _____
By:

NAME (PLEASE PRINT) Jan Nelson	PHONE NUMBER 435 781-4331	TITLE Permit Agent
SIGNATURE N/A	DATE 9/30/2016	



The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Request for Permit Extension Validation Well Number 43047539730000

API: 43047539730000

Well Name: SRW 823-10G GR

Location: 2015 FNL 1923 FEL QTR SWNE SEC 10 TWNP 080S RNG 230E MER S

Company Permit Issued to: QEP ENERGY COMPANY

Date Original Permit Issued: 10/7/2013

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision. Following is a checklist of some items related to the application, which should be verified.

- If located on private land, has the ownership changed, if so, has the surface agreement been updated? ☒ Yes ☐ No
- Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? ☐ Yes ☒ No
- Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? ☐ Yes ☒ No
- Have there been any changes to the access route including ownership, or rightof- way, which could affect the proposed location? ☐ Yes ☒ No
- Has the approved source of water for drilling changed? ☐ Yes ☒ No
- Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? ☐ Yes ☒ No
- Is bonding still in place, which covers this proposed well? ☒ Yes ☐ No

Signature: Jan Nelson

Date: 9/30/2016

Title: Permit Agent Representing: QEP ENERGY COMPANY